

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-00395



NCR CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

31-0387920
(I.R.S. Employer
Identification No.)

864 Spring Street NW
Atlanta, GA 30308
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (937) 445-1936

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	NCR	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 15, 2022, there were approximately 136.6 million shares of the registrant's common stock issued and outstanding.

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Part I. Financial Information
Item 1. FINANCIAL STATEMENTS

NCR Corporation
Condensed Consolidated Statements of Operations (Unaudited)

In millions, except per share amounts	Three months ended March 31	
	2022	2021
Product revenue	\$ 516	\$ 482
Service revenue	1,350	1,062
Total revenue	1,866	1,544
Cost of products	492	408
Cost of services	963	722
Selling, general and administrative expenses	313	238
Research and development expenses	65	66
Total operating expenses	1,833	1,434
Income (loss) from operations	33	110
Interest expense	(63)	(45)
Other income (expense), net	9	(17)
Income (loss) from continuing operations before income taxes	(21)	48
Income tax expense (benefit)	13	17
Income (loss) from continuing operations	(34)	31
Loss from discontinued operations, net of tax	(1)	—
Net income (loss)	(35)	31
Net income (loss) attributable to noncontrolling interests	(1)	1
Net income (loss) attributable to NCR	\$ (34)	\$ 30
Amounts attributable to NCR common stockholders:		
Income (loss) from continuing operations	\$ (33)	\$ 30
Series A convertible preferred stock dividends	(4)	(4)
Income (loss) from continuing operations attributable to NCR common stockholders	(37)	26
Loss from discontinued operations, net of tax	(1)	—
Net income (loss) attributable to NCR common stockholders	\$ (38)	\$ 26
Income (loss) per share attributable to NCR common stockholders:		
Income (loss) per common share from continuing operations		
Basic	\$ (0.27)	\$ 0.20
Diluted	\$ (0.27)	\$ 0.19
Net income (loss) per common share		
Basic	\$ (0.28)	\$ 0.20
Diluted	\$ (0.28)	\$ 0.19
Weighted average common shares outstanding		
Basic	135.7	130.0
Diluted	135.7	134.7

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Statements of Comprehensive Income (Unaudited)

In millions	Three months ended March 31	
	2022	2021
Net income (loss)	\$ (35)	\$ 31
Other comprehensive income (loss):		
Currency translation adjustments		
Currency translation gains (loss)	(26)	(7)
Derivatives		
Unrealized gains (loss) on derivatives	57	—
Loss (gains) on derivatives recognized during the period	1	—
Less income tax	(13)	—
Employee benefit plans		
Amortization of prior service cost (benefit)	(1)	(1)
Less income tax	—	—
Other comprehensive income (loss)	18	(8)
Total comprehensive income (loss)	(17)	23
Less comprehensive income attributable to noncontrolling interests:		
Net income (loss)	(1)	1
Currency translation losses	—	—
Amounts attributable to noncontrolling interests	(1)	1
Comprehensive income (loss) attributable to NCR	\$ (16)	\$ 22

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Balance Sheets (Unaudited)

In millions, except per share amounts	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 412	\$ 447
Accounts receivable, net of allowances of \$26 and \$24 as of March 31, 2022 and December 31, 2021, respectively	1,071	959
Inventories	805	754
Restricted cash	273	295
Other current assets	415	421
Total current assets	2,976	2,876
Property, plant and equipment, net	680	703
Goodwill	4,570	4,519
Intangibles, net	1,309	1,316
Operating lease assets	395	419
Prepaid pension cost	294	300
Deferred income taxes	716	732
Other assets	775	776
Total assets	\$ 11,715	\$ 11,641
Liabilities and stockholders' equity		
Current liabilities		
Short-term borrowings	\$ 83	\$ 57
Accounts payable	901	826
Payroll and benefits liabilities	229	389
Contract liabilities	625	516
Settlement liabilities	235	263
Other current liabilities	757	757
Total current liabilities	2,830	2,808
Long-term debt	5,516	5,505
Pension and indemnity plan liabilities	773	789
Postretirement and postemployment benefits liabilities	119	119
Income tax accruals	115	116
Operating lease liabilities	375	388
Other liabilities	388	383
Total liabilities	10,116	10,108
Commitments and Contingencies (Note 10)		
Series A convertible preferred stock: par value \$0.01 per share, 3.0 shares authorized, 0.3 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively; redemption amount and liquidation preference of \$276 as of March 31, 2022 and December 31, 2021, respectively	274	274
Stockholders' equity		
NCR stockholders' equity		
Preferred stock: par value \$0.01 per share, 100.0 shares authorized, no shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	—	—
Common stock: par value \$0.01 per share, 500.0 shares authorized, 136.3 and 132.2 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively	1	1
Paid-in capital	602	515
Retained earnings	993	1,031
Accumulated other comprehensive loss	(273)	(291)
Total NCR stockholders' equity	1,323	1,256
Noncontrolling interests in subsidiaries	2	3
Total stockholders' equity	1,325	1,259
Total liabilities and stockholders' equity	\$ 11,715	\$ 11,641

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Statements of Cash Flows (Unaudited)

In millions	Three months ended March 31	
	2022	2021
Operating activities		
Net income (loss)	\$ (35)	\$ 31
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss from discontinued operations	1	—
Depreciation and amortization	147	92
Stock-based compensation expense	34	44
Deferred income taxes	4	7
Loss (gain) on disposal of property, plant and equipment	2	—
Changes in assets and liabilities, net of effects of business acquired:		
Receivables	(129)	(91)
Inventories	(77)	(17)
Current payables and accrued expenses	(63)	34
Contract liabilities	105	74
Employee benefit plans	(8)	(10)
Other assets and liabilities	57	(9)
Net cash provided by operating activities	\$ 38	\$ 155
Investing activities		
Expenditures for property, plant and equipment	\$ (15)	\$ (10)
Additions to capitalized software	(65)	(51)
Business acquisitions, net of cash acquired	(1)	(157)
Purchases of short-term investments	—	(5)
Proceeds from sales of short-term investments	—	5
Other investing activities, net	(5)	—
Net cash used in investing activities	\$ (86)	\$ (218)
Financing activities		
Short term borrowings, net	\$ 2	\$ —
Payments on term credit facilities	(2)	(8)
Payments on revolving credit facilities	(279)	(318)
Borrowings on revolving credit facilities	312	448
Debt issuance costs and bridge commitment fees	—	(1)
Cash dividend paid for Series A preferred shares dividends	(4)	(4)
Proceeds from employee stock plans	6	8
Tax withholding payments on behalf of employees	(36)	(22)
Net change in client funds obligations	6	—
Principal payments for finance lease obligations	(4)	(4)
Other financing activities	—	(1)
Net cash provided by financing activities	\$ 1	\$ 98
Cash flows from discontinued operations		
Net cash provided by (used in) operating activities of discontinued operations	(4)	(44)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(6)	(6)
Increase in cash, cash equivalents, and restricted cash	(57)	(15)
Cash, cash equivalents and restricted cash at beginning of period	749	406
Cash, cash equivalents and restricted cash at end of period	\$ 692	\$ 391

Supplemental disclosures of noncash investing and financing activities During the three months ended March 31, 2022, we issued shares of the Company's common stock and assumed unvested outstanding option awards in the acquisition of Moon Inc., dba LibertyX, for total non-cash consideration of \$68 million. In connection with the acquisition, we also assumed debt of \$2 million. Refer to Note 2, "Business Combinations", for additional information on the LibertyX acquisition.

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Statements of Changes in Stockholder's Equity (Unaudited)

In millions	NCR Stockholders						
	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Redeemable Noncontrolling Interests in Subsidiaries	Total
	Shares	Amount					
December 31, 2021	132	\$ 1	\$ 515	\$ 1,031	\$ (291)	\$ 3	\$ 1,259
Comprehensive income:							
Net income	—	—	—	(34)	—	(1)	(35)
Other comprehensive income (loss)	—	—	—	—	18	—	18
Total comprehensive income (loss)	—	—	—	(34)	18	(1)	(17)
Employee stock purchase and stock compensation plans	3	—	19	—	—	—	19
Stock issued in acquisition of LibertyX	1	—	68	—	—	—	68
Series A convertible preferred stock dividends	—	—	—	(4)	—	—	(4)
March 31, 2022	136	\$ 1	\$ 602	\$ 993	\$ (273)	\$ 2	\$ 1,325

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Condensed Consolidated Statements of Changes in Stockholder's Equity (Unaudited) - (Continued)

In millions	NCR Stockholders						
	Common Stock		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Non-Redeemable Noncontrolling Interests in Subsidiaries	Total
	Shares	Amount					
December 31, 2020	129	\$ 1	\$ 368	\$ 950	\$ (271)	\$ 3	\$ 1,051
Comprehensive income:							
Net income	—	—	—	30	—	1	31
Other comprehensive income (loss)	—	—	—	—	(8)	—	(8)
Total comprehensive income (loss)	—	—	—	30	(8)	1	23
Employee stock purchase and stock compensation plans	2	—	30	—	—	—	30
Series A convertible preferred stock dividends	—	—	—	(4)	—	—	(4)
Repurchase of Common Stock	—	—	—	—	—	—	—
March 31, 2021	131	\$ 1	\$ 398	\$ 976	\$ (279)	\$ 4	\$ 1,100

See Notes to Condensed Consolidated Financial Statements.

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)

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1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Condensed Consolidated Financial Statements have been prepared by NCR Corporation (“NCR”, the “Company”, “we” or “us”) without audit pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) and, in the opinion of management, include all adjustments (consisting of normal, recurring adjustments, unless otherwise disclosed) necessary for a fair statement of the condensed consolidated results of operations, financial position, and cash flows for each period presented. The consolidated results for the interim periods are not necessarily indicative of results to be expected for the full year. The 2021 year-end Condensed Consolidated Balance Sheet was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States (GAAP). These financial statements should be read in conjunction with NCR’s Form 10-K for the year ended December 31, 2021.

Change in reportable segments Effective January 1, 2022, the Company realigned its reportable segments to correspond with changes to its operating model, management structure and organizational responsibilities. The reportable segments effective January 1, 2022 include: Payments & Network, Digital Banking, Self-Service Banking, Retail, and Hospitality. Additionally, effective January 1, 2022, the Company manages Corporate & Other, which includes income and expenses that are not specifically attributable to an individual reportable segment and thus will be reflected only in consolidated results, as well as our Telecommunications & Technology business, an immaterial operating segment. We have reclassified prior period segment disclosures to conform to current period presentation. Refer to Note 4, “Segment Information and Concentrations”, for additional information on our reportable segments.

Conflict in Eastern Europe The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required us to orderly wind down our operations in Russia beginning in the first quarter of 2022. As a result of these actions, the operations of the business in Russia were significantly reduced, and our results for the three months ending March 31, 2022 reflect the impact of the impairment and write down of the assets and liabilities of the entity, severance charges, and the assessment of collectability on revenue recognition. We recognized a loss of \$19 million for the three months ending March 31, 2022 related to these actions, recognized primarily in Cost of products, Cost of services and Selling, general and administrative expenses on the Condensed Consolidated Statement of Operations.

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

Use of Estimates The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported.

Although our estimates contemplate current and expected future conditions, as applicable, it is reasonably possible that actual conditions could differ from our expectations, which could materially affect our results of operations and financial position. In particular, a number of estimates have been and will continue to be affected by the ongoing variants of the novel coronavirus (COVID-19) pandemic, macroeconomic pressures and geopolitical challenges. The ultimate impact on our overall financial condition and operating results will depend on the currently unknowable duration and severity of the pandemic, supply chain challenges and cost escalations including materials, interest, labor and freight, and any additional governmental and public actions taken in response. As a result, our accounting estimates and assumptions may change over time as a consequence of the effects of COVID-19 and other external factors. Such changes could result in future impairments of goodwill, intangible assets, long-lived assets, incremental credit losses on accounts receivable and decreases in the carrying amount of our tax assets.

Evaluation of Subsequent Events The Company evaluated subsequent events through the date that our Condensed Consolidated Financial Statements were issued. No matters were identified that required adjustment to the Condensed Consolidated Financial Statements or additional disclosure other than subsequent events disclosed within the notes to the Condensed Consolidated Financial Statements.

Reclassifications Certain prior-period amounts have been reclassified in the accompanying Condensed Consolidated Financial Statements and Notes thereto in order to conform to the current period presentation. Reclassifications had no effect on prior year net income or shareholders' equity.

Cash, Cash Equivalents, and Restricted Cash The reconciliation of cash, cash equivalents and restricted cash in the Condensed Consolidated Statements of Cash Flows is as follows:

In millions	Balance Sheet Location	March 31	
		2022	2021
Cash and cash equivalents	Cash and cash equivalents	\$ 412	\$ 319
Long term restricted cash	Other assets	7	8
Funds held for client	Restricted cash	54	44
Cash included in settlement processing assets	Restricted cash	219	20
Total cash, cash equivalents and restricted cash		\$ 692	\$ 391

Contract Assets and Liabilities The following table presents the net contract asset and contract liability balances as of March 31, 2022 and December 31, 2021.

In millions	Location in the Condensed Consolidated Balance Sheet	March 31, 2022	December 31, 2021
Current portion of contract liabilities	Contract liabilities	\$ 625	\$ 516
Non-current portion of contract liabilities	Other liabilities	\$ 65	\$ 69

During the three months ended March 31, 2022, the Company recognized \$228 million in revenue that was included in contract liabilities as of December 31, 2021. During the three months ended March 31, 2021 the Company recognized \$255 million in revenue that was included in contract liabilities as of December 31, 2020.

Remaining Performance Obligations Remaining performance obligations represent the transaction price of orders for which products have not been delivered or services have not been performed. As of March 31, 2022, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$4.2 billion. The Company expects to recognize revenue on approximately three-quarters of the remaining performance obligations over the next 12 months, with the remainder recognized thereafter. The majority of our professional services are expected to be recognized over the next 12 months but this is contingent upon a number of factors, including customers' needs and schedules.

The Company has made three elections which affect the value of remaining performance obligations described above. We do

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

not disclose remaining performance obligations for contracts where variable consideration is directly allocated based on usage or when the original expected duration is one year or less. Additionally, we do not disclose remaining performance obligations for contracts where we recognize revenue from the satisfaction of the performance obligation in accordance with the 'right to invoice' practical expedient.

Recent Accounting Pronouncements

Adoption of New Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board (“FASB”) issued ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity*, with new guidance for convertible preferred stock, which eliminates considerations related to the beneficial conversion feature model. The standard also requires an average stock price when calculating the denominator for diluted earnings per share to be used for stock units where the settlement of the number of shares is based on the stock price. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Early adoption was permitted no earlier than fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. The adoption of this accounting standards update did not have a material effect on the Company’s net income, cash flows, earnings per share or financial condition.

In May 2021, the FASB issued ASU 2021-04, *Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Issuer’s Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options*, with new guidance for freestanding equity-classified written call options. The new guidance requires issuers to account for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after the modification or exchange based on the economic substance of the modification or exchange. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021, with early adoption permitted. The adoption of this accounting standards update did not have a material effect on the Company’s net income, cash flows, earnings per share or financial condition.

Accounting Pronouncements Issued But Not Yet Adopted

In October 2021, the FASB issued accounting standards update (“ASU”) 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, with new guidance for contract assets and contract liabilities acquired in a business combination. The new guidance requires contract assets and contract liabilities, such as deferred revenue, acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with Accounting Standard Codification (“ASC”) 606, *Revenue from Contracts with Customers*. Prior to the issuance of this guidance, contract assets and contract liabilities were recognized by the acquirer at fair value on the acquisition date. The accounting standards update is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022, with early adoption permitted and should be applied prospectively to acquisitions occurring on or after the effective date. The adoption of this accounting standards update is not expected to have a material effect on the Company’s net income, cash flows, earnings per share or financial condition.

Although there are several other new accounting pronouncements issued by FASB, the Company does not believe any of these accounting pronouncements had or will have a material impact on its consolidated financial statements.

2. BUSINESS COMBINATIONS

Acquisition of LibertyX

On January 5, 2022, NCR completed its acquisition of Moon Inc., dba LibertyX, a leading cryptocurrency software provider, with the goal of enabling NCR to provide a complete digital currency solution, including the ability to buy and sell cryptocurrency, conduct cross-border remittance, and accept digital currency payments across digital and physical channels. We purchased all outstanding shares of LibertyX for \$1 million cash consideration and approximately 1.4 million shares of the Company’s common stock at a price of \$42.13 per share. The Company also converted approximately 0.2 million outstanding unvested LibertyX option awards into NCR awards pursuant to an exchange ratio as defined in the acquisition agreement. LibertyX stock option awards were converted into NCR stock option awards with an exercise price per share for option awards equal to the exercise price per share of such stock option award immediately prior to the completion of the acquisition divided

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

by the exchange ratio, and vested immediately. The value of the option awards was deemed attributable to services already rendered and was included as a portion of the purchase price. Total purchase consideration for the LibertyX acquisition was approximately \$69 million. As a result of the acquisition, LibertyX became a wholly-owned subsidiary of NCR.

Recording of Assets Acquired and Liabilities Assumed The fair value of consideration transferred was allocated to the identifiable assets acquired and liabilities assumed based upon their estimated fair values as of the date of the acquisition as set forth below. The provisional amounts for intangible assets are based on third-party valuations performed. The allocation of the purchase price is provisional as of March 31, 2022 and may be subject to future adjustments, within the measurement period, as the Company obtains additional information to finalize the accounting for the business combination, including additional refinement to finalize valuations, among other items. The preliminary allocation of the purchase price is as follows:

In millions	Fair Value
Cash acquired	\$ 2
Tangible assets acquired	3
Acquired intangible assets other than goodwill	38
Acquired goodwill	41
Deferred tax liabilities	(11)
Liabilities assumed	(4)
Total purchase consideration	\$ 69

Goodwill represents the future economic benefits arising from other assets acquired that could not be individually separately recognized. The goodwill arising from the acquisition consists of revenue and cost synergies expected from combining the operations of NCR and LibertyX and is not deductible for tax purposes. The goodwill arising from the LibertyX acquisition has been allocated to our Payments & Network segment. Refer to Note 3, "Goodwill and Purchased Intangible Assets", for the carrying amounts of goodwill by segment.

The following table sets forth the components of the intangible assets acquired as of the acquisition date:

	Fair Value	Weighted Average Amortization	
	(In millions)	Period ⁽¹⁾ (In years)	
Direct customer relationships	\$ 5	5	10
Technology - Software	30	30	13
Non-compete	1	1	1
Tradenames	2	2	2
Total acquired intangible assets	\$ 38		

⁽¹⁾ Determination of the weighted average period of the individual categories of intangible assets was based on the nature of applicable intangible asset and the expected future cash flows to be derived from the intangible asset. Amortization of intangible assets with definite lives is recognized over the period of time the assets are expected to contribute to future cash flows.

The operating results of LibertyX have been included within NCR's results since the closing date of the acquisition. Supplemental pro forma information and actual revenue and earnings since the acquisition date have not been provided as the acquisition did not have a material impact on the Company's Condensed Consolidated Statements of Operations.

Acquisition of Cardtronics plc (2021)

On June 21, 2021, NCR acquired all outstanding shares of Cardtronics plc ("Cardtronics") for \$39.00 per share (the "Cardtronics Transaction"). The fair value of consideration transferred to acquire Cardtronics was allocated to the identifiable assets acquired and liabilities assumed based upon their estimated fair values as of the date of the acquisition. The valuation of assets acquired and liabilities assumed is subject to revision. If additional information becomes available, the Company may further revise the purchase price allocation as soon as practical, but no later than one year from the acquisition date; however, material changes are not expected. There have been no material adjustments to the allocation of purchase price since December 31, 2021.

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

3. GOODWILL AND PURCHASED INTANGIBLE ASSETS

Goodwill by Segment As described in Note 1, “Basis of Presentation and Summary of Significant Accounting Policies”, effective January 1, 2022, the Company realigned its reportable segments to correspond with changes to its operating model, management structure and organizational responsibilities. In connection with the change in reportable segments, during the first quarter of 2022, the Company determined its reporting units and then assigned goodwill to the new reporting units based on the relative fair value allocation approach. We have reclassified prior period goodwill disclosures to conform to the current period presentation.

The carrying amounts of goodwill by segment as of March 31, 2022 and December 31, 2021 are included in the table below. Foreign currency fluctuations are included within other adjustments.

In millions	December 31, 2021			Additions	Impairment	Other	March 31, 2022		
	Goodwill	Accumulated Impairment	Total				Goodwill	Accumulated Impairment	Total
Payments & Network	\$ 988	\$ —	\$ 988	\$ 45	\$ —	\$ 2	\$ 1,035	\$ —	\$ 1,035
Digital Banking	595	—	595	—	—	1	596	—	596
Self-Service Banking	1,635	(101)	1,534	—	—	4	1,639	(101)	1,538
Retail	1,015	(34)	981	—	—	(1)	1,014	(34)	980
Hospitality	292	(23)	269	—	—	—	292	(23)	269
Other ⁽¹⁾	163	(11)	152	—	—	—	163	(11)	152
Total goodwill	\$ 4,688	\$ (169)	\$ 4,519	\$ 45	\$ —	\$ 6	\$ 4,739	\$ (169)	\$ 4,570

⁽¹⁾ Other segment includes the goodwill associated with our Technology & Telecommunications reporting unit.

Additions during the first quarter of 2022 include immaterial purchase accounting adjustments related to the Cardtronics acquisition as well as the goodwill acquired through the LibertyX transaction on January 5, 2022. For additional information on these business combinations, refer to Note 2, “Business Combinations”.

Due to the change in reportable segments, management performed an interim goodwill impairment analysis immediately before and as of the effective date of January 1, 2022. The assessment as of December 31, 2021 was performed based on a qualitative assessment of the historical Banking, Retail, Hospitality and Telecommunications & Technology reporting units. No impairment was identified. The assessment as of January 1, 2022 was performed using a weighted combination of both guideline public company and discounted cash flow valuation methods. This assessment included, but was not limited to, our consideration of the potential impacts of the COVID-19 pandemic to the current and future cash flows as well as macroeconomic conditions, industry and market considerations, and financial performance, including forecasted revenue, earnings and capital expenditures of each reporting unit. Based on this analysis, it was determined that the fair value of all reporting units were substantially in excess of the carrying value. However, if the actual results differ from our expectations for any of our reporting units, there is a possibility we would have to perform additional interim impairment tests, which could lead to an impairment of goodwill or other assets.

Identifiable Intangible Assets NCR’s purchased intangible assets, reported in Intangibles, net in the Condensed Consolidated Balance Sheets, were specifically identified when acquired, and are deemed to have finite lives. The gross carrying amount and accumulated amortization for NCR’s identifiable intangible assets were as set forth in the table below.

In millions	Amortization Period (in Years)	March 31, 2022		December 31, 2021	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Identifiable intangible assets					
Reseller & customer relationships	1 - 20	\$ 1,127	\$ (409)	\$ 1,126	\$ (391)
Intellectual property	2 - 8	1,041	(495)	1,008	(474)
Customer contracts	8	89	(89)	89	(89)
Tradenames	1 - 10	130	(85)	130	(83)
Total identifiable intangible assets		\$ 2,387	\$ (1,078)	\$ 2,353	\$ (1,037)

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

Amortization expense related to identifiable intangible assets was \$41 million and \$20 million for the three months ended March 31, 2022 and 2021, respectively. The estimated aggregate amortization expense for identifiable intangible assets for the following periods is:

In millions	For the years ended December 31					
	Remainder of 2022	2023	2024	2025	2026	2027
Amortization expense	\$ 133	\$ 174	\$ 163	\$ 151	\$ 141	\$ 125

4. SEGMENT INFORMATION AND CONCENTRATIONS

As described in Note 1, “Basis of Presentation and Summary of Significant Accounting Policies”, effective January 1, 2022, the Company realigned its reportable segments to correspond with changes to its operating model, management structure and organizational responsibilities. We have reclassified prior period segment disclosures to conform to the current period presentation. As a result of the change, the Company manages and reports the following segments:

- *Payments & Network* - We provide a cost-effective way for financial institutions, fintechs, and neobanks to reach and serve their customers through our network of automated teller machines (“ATMs”) and multi-functioning financial services kiosks. We offer credit unions, banks, digital banks, fintechs, stored-value debit card issuers, and other consumer financial services providers access to our Allpoint retail-based ATM network, providing convenient and fee-free cash withdrawal and deposit access to their customers and cardholders as well as the ability to convert a digital value to cash, or vice versa, via NCRPay360. We also provide ATM branding, management and services to financial institutions and businesses.
- *Digital Banking* - NCR Digital Banking helps financial institutions implement their digital-first platform strategy by providing solutions for account opening, account management, transaction processing, imaging, and branch services to enable financial institutions to offer a compelling customer experience.
- *Self-Service Banking* - We offer solutions to enable customers in the financial services industry to reduce costs, generate new revenue streams and enhance customer loyalty. These solutions include a comprehensive line of ATM hardware and software, and related installation, maintenance, and managed and professional services.
- *Retail* - We offer software-led solutions to customers in the retail industry, leading with digital to connect retail operations end to end to integrate all aspects of a customer’s operations in indoor and outdoor settings from POS, to payments, inventory management, fraud and loss prevention applications, loyalty and consumer engagement. These solutions include retail-oriented technologies such as comprehensive API-point of sale retail software platforms and applications, hardware terminals, self-service kiosks including self-checkout (“SCO”), payment processing solutions, and bar-code scanners.
- *Hospitality* - We offer technology solutions to customers in the hospitality industry, including table-service, quick-service and fast casual restaurants of all sizes, that are designed to improve operational efficiency, increase customer satisfaction, streamline order and transaction processing and reduce operating costs. Our solutions include POS hardware and software solutions, installation, maintenance, managed and professional services as well as payment processing solutions.

Corporate and Other includes income and expenses related to corporate functions that are not specifically attributable to an individual reportable segment along with any immaterial operating segment(s).

Eliminations includes revenues from contracts with customers and the related costs that are reported in the Payments & Network segment as well as in the Retail or Hospitality segments, including merchant acquiring services that are monetized via payments.

These segments represent components of the Company for which separate financial information is available that is utilized on a regular basis by the chief operating decision maker in assessing segment performance and in allocating the Company’s resources. Management evaluates the performance of the segments based on revenue and Adjusted EBITDA. Adjusted EBITDA is defined as GAAP net income (loss) from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus stock-based compensation expense; plus other income

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

(expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition-related intangibles, restructuring charges, among others. The special items are considered non-operational so are excluded from the Adjusted EBITDA metric utilized by our chief operating decision maker in evaluating segment performance and are separately delineated to reconcile back to total reported GAAP net income (loss) from continuing operations attributable to NCR.

Special Item Related to Russia The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required us to orderly wind down our operations in Russia beginning in the first quarter of 2022. As a result, for the three months ending March 31, 2022, our presentation of segment revenue and Adjusted EBITDA exclude the impact of our operating results in Russia, as well as the impact of impairments taken to write down the carrying value of assets and liabilities, severance charges, and the assessment of collectability on revenue recognition. We consider this to be a special item and management has reviewed the results of its business segments excluding these impacts. We have not adjusted the presentation of the prior year period due to the immaterial impact of Russia to income from continuing operations for the three months ended March 31, 2021.

Assets are not allocated to segments, and thus are not included in the assessment of segment performance. Consequently, we do not disclose total assets by reportable segment. The accounting policies used to determine the results of the operating segments are the same as those utilized for the condensed consolidated financial statements as a whole. Intersegment sales and transfers are not material.

The following table presents revenue and Adjusted EBITDA by segment:

In millions	Three months ended March 31	
	2022	2021
Revenue by segment		
Payments & Network	\$ 299	\$ 22
Digital Banking	136	123
Self-Service Banking	611	628
Retail	546	520
Hospitality	211	179
Other	68	77
Eliminations	(8)	(5)
Total segment revenue	\$ 1,863	\$ 1,544
Other adjustment ⁽¹⁾	3	—
Consolidated revenue	\$ 1,866	\$ 1,544
Adjusted EBITDA by segment		
Payments & Network	\$ 98	\$ 3
Digital Banking	56	54
Self-Service Banking	112	137
Retail	67	98
Hospitality	41	36
Corporate and Other	(97)	(67)
Eliminations	(6)	(3)
Total Adjusted EBITDA	\$ 271	\$ 258

⁽¹⁾ Other adjustment reflects the revenue attributable to the Company's operations in Russia for the three months ending March 31, 2022 that were excluded from management's measure of revenue due to our announcement to suspend sales to Russia and anticipated orderly wind down of our operations in Russia. The revenue attributable to the Russia operations for the prior period of \$8 million are included in the respective segments.

For the three months ended March 31, 2022, the operations of Cardtronics are included in the Payments & Network and Self-Service Banking segments.

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The following table reconciles net income (loss) from continuing operations to Adjusted EBITDA:

In millions	Three months ended March 31	
	2022	2021
Net income (loss) from continuing operations attributable to NCR	\$ (33)	\$ 30
Transformation costs	27	8
Acquisition-related amortization of intangibles	41	20
Acquisition-related costs	5	27
Interest expense	63	45
Interest income	(1)	(3)
Depreciation and amortization (excluding acquisition-related amortization of intangibles)	103	70
Income tax expense (benefit)	13	17
Stock-based compensation expense	34	44
Russia	19	—
Total Adjusted EBITDA	\$ 271	\$ 258

The following table presents revenue by geography for NCR:

In millions	Three months ended March 31	
	2022	2021
Americas	\$ 1,181	\$ 929
Europe, Middle East and Africa (EMEA)	466	417
Asia Pacific (APJ)	219	198
Total revenue	\$ 1,866	\$ 1,544

The following table presents the recurring revenue for NCR:

In millions	Three months ended March 31	
	2022	2021
Recurring revenue ⁽¹⁾	\$ 1,179	\$ 874
All other products and services	687	670
Total revenue	\$ 1,866	\$ 1,544

⁽¹⁾ Recurring revenue includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, interchange and network revenue, and certain professional services arrangements, as well as term-based software license arrangements that include customer termination rights.

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

5. DEBT OBLIGATIONS

The following table summarizes the Company's short-term borrowings and long-term debt:

In millions, except percentages	March 31, 2022		December 31, 2021	
	Amount	Weighted-Average Interest Rate	Amount	Weighted-Average Interest Rate
Short-Term Borrowings				
Current portion of Senior Secured Credit Facility ⁽¹⁾	\$ 81	2.31%	\$ 56	2.63%
Other ⁽¹⁾	2	2.13%	1	2.13%
Total short-term borrowings	\$ 83		\$ 57	
Long-Term Debt				
Senior Secured Credit Facility:				
Term loan facility ⁽¹⁾	\$ 1,857	2.47%	\$ 1,884	2.63%
Revolving credit facility ⁽¹⁾	415	2.54%	380	2.36%
Senior notes:				
5.750% Senior Notes due 2027	500		500	
5.000% Senior Notes due 2028	650		650	
5.125% Senior Notes due 2029	1,200		1,200	
6.125% Senior Notes due 2029	500		500	
5.250% Senior Notes due 2030	450		450	
Deferred financing fees	(57)		(60)	
Other ⁽¹⁾	1	6.60%	1	6.62%
Total long-term debt	\$ 5,516		\$ 5,505	

⁽¹⁾ Interest rates are weighted-average interest rates as of March 31, 2022 and December 31, 2021.

Senior Secured Credit Facility The Company is party to a Senior Secured Credit Facility, which provides for a senior secured term loan A facility in an aggregate principal amount of \$1.305 billion (the "TLA Facility"), a senior secured term loan B facility in an aggregate principal amount of \$750 million (the "TLB Facility" and together with the TLA Facility, the "Term Loan Facilities"), and a revolving credit facility with commitments in an initial aggregate principal amount of \$1.3 billion (the "Revolving Credit Facility").

As of March 31, 2022, \$1.938 billion remained outstanding under the Term Loan Facilities. Additionally, as of March 31, 2022, there was \$415 million outstanding under the Revolving Credit Facility. The Revolving Credit Facility also contains a sub-facility to be used for letters of credit, and, as of March 31, 2022, outstanding letters of credit were \$24 million. Our borrowing capacity under our Revolving Credit Facility was \$861 million at March 31, 2022.

The outstanding principal balance of the TLB Facility is required to be repaid in equal quarterly installments of 0.25% of the original aggregate principal amount thereof that began with the fiscal quarter ended December 31, 2019, with the balance being due at maturity on August 28, 2026 (the "TLB Maturity Date").

The outstanding principal balance of the TLA Facility is required to be repaid in equal quarterly installments of 1.875% of the original aggregate principal amount thereof, that began with the fiscal quarter ended September 30, 2021, with the balance being due at maturity on the earlier of (a) June 21, 2026 and (b) unless the loans under TLB Facility have been repaid prior to such date, the date that is 91 days prior to the TLB Maturity Date.

Commitments under the Revolving Credit Facility are scheduled to terminate on the earlier of (a) June 21, 2026 and (b) unless the loans under TLB Facility have been repaid prior to such date, the date that is 91 days prior to the TLB Maturity Date. Loans under the Revolving Credit Facility may be repaid and reborrowed prior to such date, subject to the satisfaction of customary conditions.

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The obligations under the Senior Secured Credit Facility are guaranteed by certain of the Company's domestic material subsidiaries including the Guarantor Subsidiary and certain domestic subsidiaries acquired through the Cardtronics Transaction (collectively, the "Cardtronics Guarantors" and together with the Guarantor Subsidiary, the "Guarantors"). The obligations under the Senior Secured Credit Facility and the above described guarantee are secured by a first priority lien and security interest in certain equity interests owned by the Company and the Guarantors in certain of their respective domestic and foreign subsidiaries, and a first priority lien and security interest in substantially all of the assets of the Company and the Guarantors, subject to certain exclusions. These security interests would be released if the Company achieves an "investment grade" rating and will remain released so long as the Company maintains an "investment grade" rating.

The Senior Secured Credit Facility includes affirmative and negative covenants that restrict or limit the ability of the Company and its subsidiaries to, among other things, incur indebtedness; create liens on assets; engage in certain fundamental corporate changes or changes to the Company's business activities; make investments; sell or otherwise dispose of assets; engage in sale-leaseback or hedging transactions; repurchase stock, pay dividends or make similar distributions; repay other indebtedness; engage in certain affiliate transactions; or enter into agreements that restrict the Company's ability to create liens, pay dividends or make loan repayments. The Senior Secured Credit Facility also includes a financial covenant with respect to the Revolving Credit Facility and the TLA Facility. The financial covenant requires the Company to maintain:

- A consolidated leverage ratio on the last day of any fiscal quarter, not to exceed (i) in the case of any fiscal quarter ending on or prior to December 31, 2021, 5.50 to 1.00, (ii) in the case of any fiscal quarter ending on or prior to September 30, 2022, 5.25 to 1.00, and (iii) in the case of any fiscal quarter ending on or after December 31, 2022, 4.75 to 1.00.

Senior Unsecured Notes The Company's senior unsecured notes are guaranteed by the Guarantors, which have guaranteed fully and unconditionally the obligations to pay principal and interest for the Company's senior unsecured notes. The terms of the indentures for the Company's senior unsecured notes limit the ability of the Company and certain of its subsidiaries to, among other things, incur additional debt or issue redeemable preferred stock; pay dividends or make certain other restricted payments or investments; incur liens; sell assets; incur restrictions on the ability of the Company's subsidiaries to pay dividends to the Company; enter into affiliate transactions; engage in sale and leaseback transactions; and consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's or such subsidiaries' assets.

Fair Value of Debt The Company utilized Level 2 inputs, as defined in the fair value hierarchy, to measure the fair value of the long-term debt, which, as of March 31, 2022 and December 31, 2021 was \$5.54 billion and \$5.74 billion, respectively. Management's fair value estimates were based on quoted prices for recent trades of NCR's long-term debt, quoted prices for similar instruments, and inquiries with certain investment communities.

6. TRADE RECEIVABLES FACILITY

The Company continues to maintain its trade receivables facility (the "T/R Facility") with PNC Bank, National Association ("PNC"), which allows the Company's wholly-owned, bankruptcy remote subsidiary, NCR Receivables LLC (the "U.S. SPE"), to sell certain trade receivables on a revolving basis to PNC and the other unaffiliated purchasers participating in the T/R Facility. The T/R Facility, as amended, became effective September 30, 2021 and has a term of two years, which the Company and the U.S. SPE intend to renew.

Under the T/R Facility, the Company and certain United States and Canadian operating subsidiaries of the Company continuously sell their trade receivables as they are originated to the U.S. SPE and a Canadian bankruptcy-remote special purpose entity (collectively, the "SPEs"), as applicable. None of the assets or credit of either SPE is available to satisfy the debts and obligations owed to the creditors of the Company or any other person until the obligations of the SPEs under the T/R Facility have been satisfied. The Company controls and therefore consolidates the SPEs in its condensed consolidated financial statements.

As cash is collected on the trade receivables, the U.S. SPE has the ability to continuously transfer ownership and control of new qualifying receivables to PNC and the other unaffiliated purchasers such that the total outstanding balance of trade receivables sold can be up to \$300 million at any point in time, which is the maximum purchase commitment of PNC and the other unaffiliated purchasers. The future outstanding balance of trade receivables that are sold is expected to vary based on the level of activity and other factors and could be less than the maximum purchase commitment of \$300 million. The total outstanding balance of trade receivables that have been sold and derecognized by the U.S. SPE to PNC and the other unaffiliated purchasers is approximately \$300 million as of March 31, 2022 and December 31, 2021. Excluding the trade receivables sold to PNC and other unaffiliated purchasers, the SPEs collectively owned \$326 million and \$228 million of trade receivable as of March 31,

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

2022 and December 31, 2021, respectively, and these amounts are included in Accounts receivable, net in the Company's Condensed Consolidated Balance Sheets.

Continuous cash activity related to the T/R Facility is reflected in Net cash provided by operating activities in the Condensed Consolidated Statements of Cash Flows. The U.S. SPE incurs fees due and payable to PNC and the other unaffiliated purchasers participating in the T/R Facility. Those fees, which are immaterial, are recorded within Other income (expense), net in the Condensed Consolidated Statements of Operations. In addition, each of the SPEs has provided a full recourse guarantee in favor of PNC and the other unaffiliated purchasers of the full and timely payment of all trade receivables sold to them by the U.S. SPE. The guarantee is collateralized by all the trade receivables owned by each of the SPEs that have not been sold to PNC or the other unaffiliated purchasers. The reserve recognized for this recourse obligation as of March 31, 2022 is not material.

The Company, or in the case of any Canadian trade receivables, NCR Canada Corp., continues to be involved with the trade receivables even after they are transferred to the SPEs (or further transferred to PNC and the other unaffiliated purchasers) by acting as servicer. In addition to any obligations as servicer, the Company and each of its subsidiaries acting as an originator under the T/R Facility provide the SPEs with customary recourse in respect of (i) certain dilutive events with respect to the trade receivables sold to the SPEs that are caused by the Company or another originator and (ii) in the event of certain violations by the Company or another originator of their representations and warranties with respect to the trade receivables sold to the SPEs. These servicing and originator liabilities of the Company and its subsidiaries (other than the SPEs) under the T/R Facility are not expected to be material, given the high quality of the customers underlying the receivables and the anticipated short collection period.

7. INCOME TAXES

Income tax provisions for interim (quarterly) periods are based on an estimated annual effective income tax rate calculated separately from the effect of significant, infrequent or unusual items. Income tax expense was \$13 million for the three months ended March 31, 2022 compared to income tax expense of \$17 million for the three months ended March 31, 2021. The change was primarily driven by a pre-tax book loss offset by the removal of tax benefit in certain foreign jurisdictions where the benefit will not be realized. Additionally, during the three months ended March 31, 2022, the Company did not recognize any material discrete tax consistent with the three months ended March 31, 2021.

The Company engages in continuous discussions and negotiations with taxing authorities regarding tax matters, and the Company has determined that over the next 12 months it expects to resolve certain tax matters related to U.S. and foreign jurisdictions. As a result, as of March 31, 2022, we estimate that it is reasonably possible that gross unrecognized tax benefits may decrease by \$5 million to \$13 million in the next 12 months.

8. STOCK COMPENSATION PLANS

As of March 31, 2022, the Company's primary type of stock-based compensation was restricted stock units and stock options. Stock-based compensation expense for the following periods were:

In millions	Three months ended March 31	
	2022	2021
Restricted stock units	\$ 26	\$ 36
Stock options	5	6
Employee stock purchase plan	3	2
Stock-based compensation expense	34	44
Tax benefit	(4)	(5)
Stock-based compensation expense (net of tax)	\$ 30	\$ 39

Stock-based compensation expense is recognized in the financial statements based upon fair value.

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

On February 25, 2022, the Company granted market-based restricted stock units with 100% of the award vesting on December 31, 2024. The number of awards that vest are subject to the performance of the Company's stock price from the date of grant to December 31, 2024. The fair value was determined to be \$57.67 based on using a Monte-Carlo simulation model and will be recognized over the requisite service period. The table below details the assumptions used in determining the fair value of the market-based restricted stock units.

Dividend yield	— %
Risk-free interest rate	1.73 %
Expected volatility	59.26 %

Expected volatility for the market-based restricted stock units is calculated as the historical volatility of the Company's stock over a period of three years, as management believes this is the best representation of prospective trends. The risk-free interest rate was determined based on a three year U.S. Treasury yield curve in effect at the time of the grant.

As of March 31, 2022, the total unrecognized compensation cost of \$228 million related to unvested restricted stock grants is expected to be recognized over a weighted average period of approximately 1.2 years. As of March 31, 2022, the total unrecognized compensation cost of \$15 million related to unvested stock option grants is expected to be recognized over a weighted average period of approximately 0.5 years.

Employee Stock Purchase Plan The Company's Employee Stock Purchase Plan ("ESPP") provides employees a 15% discount on stock purchases using a three-month look-back feature where the discount is applied to the stock price that represents the lower of NCR's closing stock price on either the first day or the last day of each calendar quarter. Participants can contribute between 1% and 10% of their compensation.

For the three months ended March 31, 2022, employees purchased 0.3 million shares, at a discounted price of \$34.16. For the three months ended March 31, 2021, employees purchased 0.2 million shares, at a discounted price of \$30.82.

9. EMPLOYEE BENEFIT PLANS

Components of net periodic benefit cost (income) of the pension plans for the three months ended March 31 were as follows:

In millions	U.S. Pension Benefits		International Pension Benefits		Total Pension Benefits	
	2022	2021	2022	2021	2022	2021
Net service cost	\$ —	\$ —	\$ 1	\$ 1	\$ 1	\$ 1
Interest cost	10	9	3	2	13	11
Expected return on plan assets	(17)	(8)	(7)	(6)	(24)	(14)
Amortization of prior service cost	—	—	—	—	—	—
Net periodic benefit cost (income)	\$ (7)	\$ 1	\$ (3)	\$ (3)	\$ (10)	\$ (2)

Net postretirement benefit was zero for the three months ending March 31, 2022 and 2021.

Components of the net cost of the postemployment plan for the following periods were:

In millions	Three months ended March 31	
	2022	2021
Net service cost	\$ 13	\$ 6
Interest cost	1	1
Amortization of:		
Prior service benefit	(1)	(1)
Actuarial gain	—	—
Net benefit cost	\$ 13	\$ 6

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

Employer Contributions

Pension For the three months ended March 31, 2022, NCR contributed \$4 million to its international pension plans. NCR anticipates contributing an additional \$13 million to its international pension plans for a total of \$17 million in 2022.

Postretirement For the three months ended March 31, 2022, NCR made no contributions to its U.S. postretirement plan. NCR anticipates contributing an additional \$1 million to its U.S. postretirement plan for a total of \$1 million in 2022.

Postemployment For the three months ended March 31, 2022, NCR contributed \$7 million to its postemployment plan. NCR anticipates contributing an additional \$23 million to its postemployment plan for a total of \$30 million in 2022.

10. COMMITMENTS AND CONTINGENCIES

In the normal course of business, NCR is subject to various proceedings, lawsuits, claims and other matters, including, for example, those that relate to the environment and health and safety, labor and employment, employee benefits, import/export compliance, intellectual property, data privacy and security, product liability, commercial disputes and regulatory compliance, among others. Additionally, NCR is subject to diverse and complex laws and regulations, including those relating to corporate governance, public disclosure and reporting, environmental safety and the discharge of materials into the environment, product safety, import and export compliance, data privacy and security, antitrust and competition, government contracting, anti-corruption, and labor and human resources, which are rapidly changing and subject to many possible changes in the future. Compliance with these laws and regulations, including changes in accounting standards, taxation requirements, and federal securities laws among others, may create a substantial burden on, and substantially increase costs to NCR or could have an impact on NCR's future operating results. The Company has reflected all liabilities when a loss is considered probable and reasonably estimable in the Condensed Consolidated Financial Statements. We do not believe there is a reasonable possibility that losses exceeding amounts already recognized have been incurred, but there can be no assurances that the amounts required to satisfy alleged liabilities from such matters will not impact future operating results. Other than as stated below, the Company does not currently expect to incur material capital expenditures related to such matters. However, there can be no assurances that the actual amounts required to satisfy alleged liabilities from various lawsuits, claims, legal proceedings and other matters, including, but not limited to the Fox River and Kalamazoo River environmental matters and other matters discussed below, and to comply with applicable laws and regulations, will not exceed the amounts reflected in NCR's Condensed Consolidated Financial Statements or will not have a material adverse effect on its consolidated results of operations, capital expenditures, competitive position, financial condition or cash flows.

Environmental Matters NCR's facilities and operations are subject to a wide range of environmental protection laws, and NCR has investigatory and remedial activities underway at a number of facilities that it currently owns or operates, or formerly owned or operated, to comply, or to determine compliance, with such laws. Also, NCR has been identified, either by a government agency or by a private party seeking contribution to site clean-up costs, as a potentially responsible party ("PRP") at a number of sites pursuant to various state and federal laws, including the Federal Water Pollution Control Act, the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and comparable state statutes. Other than the Fox River matter, the Kalamazoo River matter and the Ebina matter discussed below, we currently do not anticipate material expenses and liabilities from these environmental matters.

Fox River NCR is one of eight entities that were formally notified by governmental and other entities, such as local Native American tribes, that they are PRPs for environmental claims (under CERCLA and other statutes) arising out of the presence of polychlorinated biphenyls ("PCBs") in sediments in the lower Fox River and in the Bay of Green Bay in Wisconsin. Such notice was provided on September 30, 2003. The other Fox River PRPs that received notices include Appleton Papers Inc. ("API"; now known as Appvion, Inc.), P.H. Glatfelter Company ("Glatfelter"), Georgia-Pacific Consumer Products LP ("GP", successor to Fort James Operating Company), and others. NCR was identified as a PRP because of alleged PCB discharges from two carbonless copy paper manufacturing facilities it previously owned, which were located along the Fox River. NCR sold its facilities in 1978 to API. The parties have also contended that NCR is responsible for PCB discharges from paper mills owned by other companies because NCR carbonless copy paper "broke" was allegedly purchased by those other mills as a raw material.

The United States Environmental Protection Agency ("USEPA") and Wisconsin Department of Natural Resources (together, "the Governments") developed clean-up plans for the upper and lower parts of the Fox River and for portions of the Bay of

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Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

Green Bay. On November 13, 2007, the Governments issued a unilateral administrative order (the “2007 Order”) under CERCLA to the eight original PRPs, requiring them to perform remedial work under the Governments’ clean-up plan for the lower parts of the river (operable units 2 through 5). In April 2009, NCR and API formed a limited liability company (the “LLC”), which entered into an agreement with an environmental remediation contractor to perform the work at the Fox River site. In-water dredging and remediation under the clean-up plan commenced shortly thereafter.

NCR and API, along with B.A.T Industries p.l.c. (“BAT”), share among themselves a portion of the cost of the Fox River clean-up and natural resource damages (“NRD”) based upon a 1998 agreement (the “Cost Sharing Agreement”), a 2005 arbitration award (subsequently confirmed as a judgment), and a September 30, 2014 Funding Agreement (the “Funding Agreement”). The Cost Sharing Agreement and the arbitration resolved disputes that arose out of the Company’s 1978 sale of its Fox River facilities to API. The Cost Sharing Agreement and arbitration award resulted in a 45% share for NCR of the first \$75 million of such costs (a threshold that was reached in 2008), and a 40% share for amounts in excess of \$75 million. The Funding Agreement arose out of a 2012 to 2014 arbitration dispute between NCR and API, and provides for regular, ongoing funding of NCR incurred Fox River remediation costs via contributions, made to a new limited liability corporation created by the Funding Agreement, by BAT, API and, for 2014, API’s indemnitor, Windward Prospects. The Funding Agreement creates an obligation on BAT and API to fund 50% of NCR’s Fox River remediation costs from October 1, 2014 forward (API’s Fox River-related obligations under the Funding Agreement were fully satisfied in 2016); the Funding Agreement also provides NCR contractual avenues for payment of, via direct and third-party sources, (1) the difference between BAT’s and API’s 60% obligation under the Cost Sharing Agreement and arbitration award on the one hand and their ongoing (since September 2014) 50% payments under the Funding Agreement on the other, as well as (2) the difference between the amount NCR received under the Funding Agreement and the amount owed to it under the Cost Sharing Agreement and arbitration award for the period from April 2012 through September 2014. As of March 31, 2022 and December 31, 2021, the receivable under the Funding Agreement was approximately \$54 million and was included in Other assets in the Condensed Consolidated Balance Sheets. The timing of collection of sums related to the receivable is uncertain, subject and pursuant to the terms of the Funding Agreement and related agreements. This receivable is not taken into account in calculating the Company’s Fox River net reserve.

The Company’s litigations relating to contribution and enforcement claims concerning the Fox River have been concluded. A proposed consent decree settlement (the “CD settlement”) with respect to the contribution action (a case originally filed by NCR and API) and the government enforcement action (a case originally filed by the federal and state governments against several PRPs, including the Company) was successfully negotiated by NCR and the federal and state governments and was approved on August 22, 2017 by the federal district court in Wisconsin that had been presiding over those cases. A final order of dismissal as to the Company in the contribution and government enforcement actions was subsequently entered; one party, Glatfelter, had appealed the approval of the CD settlement. On January 3, 2019, the United States lodged a proposed consent decree with the Wisconsin court, reflecting a settlement reached by the United States, Wisconsin and Glatfelter with respect to Glatfelter’s Fox River liability under the government enforcement action; a component of that settlement was withdrawal of Glatfelter’s appeal opposing the Company’s CD settlement. On March 14, 2019, the Wisconsin court approved the Glatfelter consent decree, and on April 3, 2019, Glatfelter’s appeal was dismissed.

The CD settlement has now resolved the remaining Fox River-related contribution and enforcement claims against the Company. The key components of the approved CD settlement include (1) the Company’s commitment to complete the remediation of the Fox River, which has now been completed; (2) the Company’s conditional agreement to waive its contribution claims against the two remaining defendants in the case, GP and Glatfelter; (3) the Company’s agreement not to appeal the trial court’s decision on divisibility of harm; (4) the Governments’ agreement to include in the settlement so-called “contribution protection” in the Company’s favor as to GP’s and Glatfelter’s contribution claims against the Company, the effect of which will be to extinguish those claims; (5) the Governments’ agreement not to pursue the Company for the Governments’ past oversight costs; and (6) the Governments’ agreement to exercise prosecutorial discretion in pursuing other parties for future oversight costs and long-term monitoring and maintenance, with the Company retaining so-called “backstop” liability in the event that the other parties fail to pay future oversight costs or to perform long-term monitoring and maintenance. Additionally, although certain state law claims by GP and Glatfelter against the Company may not be affected directly by the CD settlement, the CD settlement provides that the Company’s contribution claims against those two parties will revive if those parties attempt to assert any claims against the Company relating to the Fox River, including any state law claims.

In the quarter ending September 30, 2017, the remediation general contractor commenced an arbitration against the LLC, in a dispute over contract interpretation. The hearing on this matter was completed in June 2019, and the parties submitted post-trial briefs in August 2019. The amounts claimed by the contractor range from approximately \$46 million to approximately \$53 million; the Company disputed the claims and contested them vigorously during the hearing. In November 2019, having rejected substantial portions of the claims, the arbitration panel awarded the contractor approximately \$10 million. The

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Company's indemnitors and co-obligors, described below, were responsible for the majority of the award, with the Company's share being approximately 25% of the award.

With respect to the Company's prior dispute with API, which was generally superseded by the Funding Agreement, the Company received timely payments as they came due under the Funding Agreement. Although API filed for bankruptcy protection in October 2017, it had made all of the payments to the Company in connection with the Fox River that are required of it by the Funding Agreement.

NCR's eventual remediation liability, followed by long-term monitoring expected to be performed by others, will depend on a number of factors. In establishing the reserve, NCR attempts to estimate a range of reasonably possible outcomes for each of these factors, although each range is itself uncertain. NCR uses its best estimate within the range, if that is possible. Where there is a range of equally possible outcomes, and there is no amount within that range that is considered to be a better estimate than any other amount, NCR uses the low end of the range. The significant factors include: (1) the total remaining site costs, including the costs associated with decommissioning the site, the expected cost impact of which is expected to be neutral or non-material to the Company, including long-term monitoring following completion of the clean-up, and what parties are assigned to discharge the post-clean-up tasks (as noted, the Company no longer expects to bear long-term monitoring costs); (2) total NRD for the site and the share that NCR will bear (which is now resolved as to the Company); (3) the share of clean-up costs that NCR will bear (which is resolved under the CD settlement); (4) NCR's transaction and litigation costs to defend itself to the extent additional litigation is required with respect to claims brought by the general contractor; and (5) the share of NCR's payments that BAT will bear (which is governed by the Cost Sharing Agreement and the Funding Agreement, BAT has made all of the payments requested of it, and as discussed above; API is in bankruptcy and is not presumed likely to bear further shares of NCR's payments). With respect to NRD, in connection with a certain settlement entered into by other PRPs in 2015, the Government withdrew the NRD claims it had prosecuted on behalf of NRD trustees, including those NRD claims asserted against the Company.

While it is possible there could be additional changes to some elements of the reserve over upcoming periods, all in river-remediation, site demolition and site decommissioning have been completed. Final reporting and site completion certification is expected this year. Nonetheless, there can be no assurance that unexpected expenditures and liabilities will not have a material effect on NCR's capital expenditures, earnings, financial condition, cash flows, or competitive position. As of March 31, 2022 and December 31, 2021, the gross reserve for the Fox River matter was approximately \$4 million. As of March 31, 2022 and December 31, 2021, the net reserve for the Fox River matter was approximately \$26 million. NCR contributes to the LLC to fund remediation activities and generally, by contract, has funded certain amounts of remediation expenses in advance. As of March 31, 2022 and December 31, 2021, approximately zero remained from this funding. NCR's reserve for the Fox River matter is reduced as the LLC makes payments to the remediation contractor and other vendors with respect to remediation activities.

Under a 1996 agreement, AT&T Corp. ("AT&T") and Nokia (as the successor to Lucent Technologies and Alcatel-Lucent USA) are responsible severally (not jointly) for indemnifying NCR for certain portions of the amounts paid by NCR for the Fox River matter over a defined threshold and subject to certain offsets. (The agreement governs certain aspects of AT&T's divestiture of NCR and of what was then known as Lucent Technologies.) Those companies have made the payments requested of them by the Company on an ongoing basis.

Kalamazoo River In November 2010, USEPA issued a "general notice letter" to NCR with respect to the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site ("Kalamazoo River site") in Michigan. Three other companies - International Paper, Mead Corporation, and Consumers Energy - also received general notice letters at or about the same time. USEPA asserts that the site is contaminated by various substances, primarily PCBs, as a result of discharges by various paper mills located along the river. USEPA does not claim that the Company made direct discharges into the Kalamazoo River, and NCR never had facilities at or near the Kalamazoo River site, but USEPA indicated that "NCR may be liable under Section 107 of CERCLA ... as an arranger, who by contract or agreement, arranged for the disposal, treatment and/or transportation of hazardous substances at the Site." USEPA stated that it "may issue special notice letters to [NCR] and other PRPs for future RI/FS [remedial investigation / feasibility studies] and RD/RA [remedial design / remedial action] negotiations."

In connection with the Kalamazoo River site, in December 2010 the Company, along with two other defendants, was sued in federal court by three GP affiliate corporations in a private-party contribution and cost recovery action for alleged pollution. The suit, pending in Michigan, asks that the Company and other defendants pay a "fair portion" of these companies' costs. Various removal and remedial actions remain to be decided upon and performed at the Kalamazoo River site, the total costs for which generally remain undetermined; in 2017, Records of Decisions were issued for two parts of the river, and in 2018 such a

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decision was issued for another part of the river, but such decisions for the majority of the work are expected to be made only over the next several years. The suit alleges that the Company is liable to the GP entities as an “arranger” under CERCLA. The initial phase of the case was tried in a Michigan federal court in February 2013; on September 26, 2013 the court issued a decision that held NCR was liable as an “arranger” as of at least March 1969. (PCB-containing carbonless copy paper was produced from approximately 1954 to April 1971, and the majority of contamination at the Kalamazoo River site had occurred prior to 1969). NCR preserved its right to appeal the September 2013 decision.

In the 2013 decision the Court did not determine NCR’s share of the overall liability. Relative shares of liability for the four companies were tried to the court in a subsequent phase of the case in December 2015. In a ruling issued on March 29, 2018, the court addressed responsibility for the costs that GP had incurred in the past, totaling to approximately \$50 million (GP had sought approximately \$105 million, but \$55 million of those claims were removed by the court upon motions filed by the Company and other parties); NCR and GP were each assigned a 40% share of those costs, and the other two companies were assigned 15% and 5% as their allocations. The court entered a judgment in the case on June 19, 2018, in which it indicated that it would not allocate future costs, but would enter a declaratory judgment that the four companies together had responsibility for future costs, in amounts and shares to be determined. Cross-proceedings have been commenced to obtain recoveries from the other parties pursuant to the judgment; those proceedings were stayed pending the appeal referenced below.

In July 2018, the Company appealed to the United States Court of Appeals for the Sixth Circuit both the 2013 court decision, which it believes is in conflict with a decision from the Fox River trial court as to Operable Unit 1 of that site and an affirmance of that decision from the Court of Appeals for the Seventh Circuit, and the 2018 court decision, on various legal grounds. The Company filed a bond to stay any execution of the judgment pending the appeal, and its application for a stay was approved by the court and remains stayed until the Company filed its dismissal of the appeal on December 31, 2020 pursuant to a Consent Decree, noted below.

During the pendency of the Sixth Circuit stay, the Company negotiated a settlement of the Kalamazoo River matter with the USEPA and other government agencies having oversight over the river. On December 5, 2019, the Company entered into a Consent Decree, filed with the District Court on December 11, 2019, and on December 2, 2020, the District Court approved the Consent Decree, which has now resolved all litigation associated with the river clean-up, including the Sixth Circuit appeal. The Consent Decree requires the Company to pay GP its 40% share of past costs, to pay the USEPA and state agencies their past and future administrative costs, and to dismiss its Sixth Circuit appeal. The Consent Decree further requires the Company to take responsibility for the remediation of a portion, but not all, of the Kalamazoo River. The Consent Decree further provides the Company protection from other PRPs, including GP, seeking contribution for their costs associated with the clean-up anywhere on the river, thereby resolving the allocation of future costs left unresolved by the June 19, 2019 judgment.

NCR expects to have claims against BAT and API under the Funding Agreement discussed above for the Kalamazoo River remediation expenses. API filed for bankruptcy protection in October 2017, and thus payment of its potential share under the Funding Agreement for so-called “future sites,” which would include the Kalamazoo River site, may be at risk, but as liability under the Cost Sharing Agreement and the Funding Agreement is joint and several, the bankruptcy is not anticipated to affect the Company’s ability to seek that amount from BAT. The Company will also have indemnity or reimbursement claims against AT&T and Nokia under the arrangement discussed above in connection with the Fox River matter after expenses have met a contractual threshold set out in the 1996 agreement referenced above in the Fox River discussion.

As of March 31, 2022 and December 31, 2021, the total reserve for Kalamazoo was \$96 million and \$99 million, respectively. The reserve is reported on a basis that is net of expected contributions from the Company’s co-obligors and indemnitors, subject to when the applicable threshold is reached. While the Company believes its co-obligors’ and indemnitors’ obligations are as previously reported, the reserve reflects changes in positions taken by some of those co-obligors and indemnitors with respect to the Kalamazoo River. The contributions from its co-obligors and indemnitors are expected to range from \$70 million to \$150 million and the Company will continue to pursue such contribution.

As many aspects of the costs of remediation will not be determined for several years (and thus the high end of a range of possible costs for many areas of the site cannot be quantified at this time), the Company has made what it considers to be reasonable estimates of the low end of a range for such costs where remedies are identified, and/or of the costs of investigations and studies for areas of the river where remedies have not yet been determined, and the reserve is informed by those estimates. The extent of NCR’s potential liability remains subject to many uncertainties, notwithstanding the settlement of this matter and related Consent Decree noted above, particularly in as much as remedy decisions and cost estimates will not be generated until times in the future and as most of the work to be performed will take place through the 2030s. Under other assumptions or estimates for possible costs of remediation, which the Company does not at this point consider to be reasonably estimable or

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verifiable, it is possible that the reserve the Company has taken to discontinued operations reflected in this paragraph could more than approximately double the reflected reserve.

Ebina The Company is engaged in cooperative regulatory compliance activities with the government of Japan in connection with certain environmental contaminants generated in its past operations in that country. The Company has quantities of PCB and other wastes primarily from its former plant at Oiso, Japan, including encapsulated undiluted solutions manufactured in the past, capacitors, light ballasts and PCB-affected soil from the Oiso plant that was excavated and placed in steel drums. These wastes are stored in a facility at Ebina, Japan in accordance with Japanese regulations governing such materials. Over the past several years Japan has enacted and amended legislation governing such wastes, and has set a current deadline for treating and disposing of (at government-constructed disposal facilities) the highest-concentration wastes by 2027. Lower-concentration wastes can be and have been disposed of via private contractors, and as of March 31, 2022, NCR had disposed of approximately 68% of its lower-concentration wastes and approximately 47% of its higher-concentration wastes.

The Company and its consultants have met and communicated regularly with the Japanese agency charged with administration of the law, and are working with that agency on a program to manage disposal of the high-concentration wastes, including tests of technologies to make the disposal more efficient. The government has given its final approvals, and the Company started to dispose of the high-concentration wastes in 2021, with final deadlines for various of the government-constructed disposal sites currently set for 2022, 2023 and later. Low-concentration wastes are required to be contracted for disposal by 2027, a timetable that the Company expects to meet. In September 2019, the Company's environmental consultants, following a series of communications and meetings with the Japanese agency, at the Company's request prepared an estimate of remaining disposal costs over the coming several years. While the estimate is subject to a range of assumptions and uncertainties, including prospects of cost reduction in coordination with the agency as certain field testing to separate high-concentration and low-concentration waste progresses over the coming years, the Company adjusted its existing reserve for the matter to take into account this cost estimate. The reserve as of March 31, 2022 and December 31, 2021 is \$15 million and \$16 million, respectively. The Japan environmental waste issue is treated as a compliance matter and not as litigation or enforcement, and the Company has received no threats of litigation or enforcement.

Environmental-Related Insurance Recoveries In connection with the Fox River and other environmental sites, through March 31, 2022, NCR has received a combined gross total of approximately \$205 million in settlements reached with various of its insurance carriers. Portions of many of these settlements agreed in the 2010 through 2013 timeframe are payable to a law firm that litigated the claims on the Company's behalf. Some of the settlements cover not only the Fox River but also other environmental sites; some are limited to either the Fox River or the Kalamazoo River site. Some of the settlements are directed to defense costs and some are directed to indemnity; some settlements cover both defense costs and indemnity. The Company does not anticipate that further material insurance recoveries specific to Kalamazoo River remediation costs will be available to it, but is currently in settlement discussions with certain carriers over amounts potentially owed to the Company. In December 2021, the Company recovered approximately \$3 million as a result of those discussions. Settlement discussions are continuing with the remaining carriers. Claims with respect to Kalamazoo River defense costs have now been settled, with the amounts of those settlements included in the sum reported above.

Environmental Remediation Estimates It is difficult to estimate the future financial impact of environmental laws, including potential liabilities. NCR records environmental provisions when it is probable that a liability has been incurred and the amount or range of the liability is reasonably estimable; in accordance with accounting guidance, where liabilities are not expected to be quantifiable or estimable for a period of years, the estimated costs of investigating those liabilities are recorded as a component of the reserve for that particular site. Provisions for estimated losses from environmental restoration and remediation are, depending on the site, based generally on internal and third-party environmental studies, estimates as to the number and participation level of other PRPs, the extent of contamination, estimated amounts for attorney and other fees, and the nature of required clean-up and restoration actions. Reserves are adjusted as further information develops or circumstances change. Management expects that the amounts reserved from time to time will be paid out over the period of investigation, negotiation, remediation and restoration for the applicable sites. The amounts provided for environmental matters in NCR's Condensed Consolidated Financial Statements are the estimated gross undiscounted amounts of such liabilities, without deductions for indemnity insurance, third-party indemnity claims or recoveries from other PRPs, except as qualified in the following sentences. In those cases where insurance carriers or third-party indemnitors have agreed to pay any amounts and management believes that collectability of such amounts is probable, the amounts are recorded in the Condensed Consolidated Financial Statements. For the Fox River and Kalamazoo River sites, as described above, assets relating to the AT&T and Nokia indemnities and to the BAT obligations are recorded as payment is supported by contractual agreements, public filings and/or payment history.

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Guarantees and Product Warranties In the ordinary course of business, NCR may issue performance guarantees on behalf of its subsidiaries to certain of its customers and other parties. Some of those guarantees may be backed by standby letters of credit, surety bonds, or similar instruments. In general, under the guarantees, NCR would be obligated to perform, or cause performance, over the term of the underlying contract in the event of an unexcused, uncured breach by its subsidiary, or some other specified triggering event, in each case as defined by the applicable guarantee. NCR believes the likelihood of having to perform under any such guarantee is remote. As of March 31, 2022 and December 31, 2021, NCR had no material obligations related to such guarantees, and therefore its Condensed Consolidated Financial Statements do not have any associated liability balance.

NCR provides its customers a standard manufacturer’s warranty and records, at the time of the sale, a corresponding estimated liability for potential warranty costs. Estimated future obligations due to warranty claims are based upon historical factors, such as labor rates, average repair time, travel time, number of service calls per machine and cost of replacement parts. When a sale is consummated, the total customer revenue is recognized, provided that all revenue recognition criteria are otherwise satisfied, and the associated warranty liability is recorded using pre-established warranty percentages for the respective product classes.

From time to time, product design or quality corrections are accomplished through modification programs. When identified, associated costs of labor and parts for such programs are estimated and accrued as part of the warranty reserve.

The Company recorded the activity related to the warranty reserve for the three months ended March 31 as follows:

In millions	2022	2021
Warranty reserve liability		
Beginning balance as of January 1	\$ 19	\$ 18
Accruals for warranties issued	5	7
Settlements (in cash or in kind)	(7)	(7)
Ending balance as of March 31	<u>\$ 17</u>	<u>\$ 18</u>

In addition, NCR provides its customers with certain indemnification rights. In general, NCR agrees to indemnify the customer if a third-party asserts patent or other infringement on the part of its customers for its use of the Company’s products subject to certain conditions that are generally standard within the Company’s industries. On limited occasions the Company will undertake additional indemnification obligations for business reasons. From time to time, NCR also enters into agreements in connection with its acquisition and divestiture activities that include indemnification obligations by the Company. The fair value of these indemnification obligations is not readily determinable due to the conditional nature of the Company’s potential obligations and the specific facts and circumstances involved with each particular agreement. The Company has not recorded a liability in connection with these indemnifications, and no current indemnification instance is material to the Company’s financial position. Historically, payments made by the Company under these types of agreements have not had a material effect on the Company’s condensed consolidated financial condition, results of operations or cash flows.

Purchase Commitments The Company has purchase commitments for materials, supplies, services, and property, plant and equipment as part of the normal course of business. This includes a long-term service agreement with Accenture, under which many of NCR’s key transaction processing activities and functions are performed.

11. SERIES A CONVERTIBLE PREFERRED STOCK

Holders of Series A Convertible Preferred Stock are entitled to a cumulative dividend at the rate of 5.5% per annum, payable quarterly in arrears. Beginning in the first quarter of 2020, dividends are payable in cash or in-kind at the option of the Company. If the Company does not declare and pay a dividend, the dividend rate will increase to 8.0% per annum until all accrued but unpaid dividends have been paid in full. During the three months ended March 31, 2022 and 2021, the Company paid cash dividends of \$4 million.

The Series A Convertible Preferred Stock is convertible at the option of the holders at any time into shares of common stock at a conversion price of \$30.00 per share, or a conversion rate of 33.333 shares of common stock per share of Series A Convertible Preferred Stock. As of March 31, 2022 and December 31, 2021, the maximum number of common shares that could be required to be issued upon conversion of the outstanding shares of Series A Convertible Preferred Stock was 9.2 million shares.

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12. EARNINGS PER SHARE

Basic earnings per share (“EPS”) is calculated by dividing net income or loss attributable to NCR, less any dividends (declared or cumulative undeclared), deemed dividends, accretion or decrction, redemption or induced conversion on our Series A Convertible Preferred Stock, by the weighted average number of shares outstanding during the period.

In computing diluted EPS, we evaluate and reflect the maximum potential dilution, for each issue or series of issues of potential common shares in sequence from the most dilutive to the least dilutive. We adjust the numerator used in the basic EPS computation, subject to anti-dilution requirements, to add back the dividends (declared or cumulative undeclared) applicable to the Series A Convertible Preferred Stock. Such add-back would also include any adjustments to equity in the period to accrete the Series A Convertible Preferred Stock to its redemption price, or recorded upon a redemption or induced conversion. We adjust the denominator used in the basic EPS computation, subject to anti-dilution requirements, to include the dilution from potential shares resulting from the issuance of the Series A Convertible Preferred Stock, restricted stock units, and stock options.

The holders of Series A Convertible Preferred Stock, unvested restricted stock units and stock options do not have nonforfeitable rights to common stock dividends or common stock dividend equivalents. Accordingly, the Series A Convertible Preferred Stock, unvested restricted stock units and stock options do not qualify as participating securities. See Note 8, “Stock Compensation Plans”, for share information on NCR’s stock compensation plans.

The components of basic earnings per share are as follows:

In millions, except per share amounts	Three months ended March 31	
	2022	2021
Numerator:		
Income (loss) from continuing operations	\$ (33)	\$ 30
Dividends on Series A Convertible Preferred Stock	(4)	(4)
Income (loss) from continuing operations attributable to NCR common stockholders	(37)	26
Loss from discontinued operations, net of tax	(1)	—
Net income (loss) attributable to NCR common stockholders	\$ (38)	\$ 26
Denominator:		
Basic weighted average number of shares outstanding	135.7	130.0
Basic earnings per share:		
From continuing operations	\$ (0.27)	\$ 0.20
From discontinued operations	(0.01)	—
Total basic earnings per share	\$ (0.28)	\$ 0.20

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The components of diluted earnings per share are as follows:

In millions, except per share amounts	Three months ended March 31	
	2022	2021
Numerator:		
Income (loss) from continuing operations	\$ (33)	\$ 30
Dividends on Series A Convertible Preferred Stock	(4)	(4)
Income (loss) from continuing operations attributable to NCR common stockholders	(37)	26
Loss from discontinued operations, net of tax	(1)	—
Net income (loss) attributable to NCR common stockholders	\$ (38)	\$ 26
Denominator:		
Basic weighted average number of shares outstanding	135.7	130.0
Dilutive effect of restricted stock units and stock options	—	4.7
Weighted average diluted shares	135.7	134.7
Diluted earnings per share:		
From continuing operations	\$ (0.27)	\$ 0.19
From discontinued operations	(0.01)	—
Total diluted earnings per share	\$ (0.28)	\$ 0.19

For the three months ended March 31, 2022, due to the net loss attributable to NCR common stockholders, potential common shares that would cause dilution, such as Series A Convertible Preferred Stock, restricted stock units and stock options, have been excluded from the diluted share count because their effect would be anti-dilutive. The weighted average outstanding shares of common stock were not adjusted by 9.2 million for the as-if converted Series A Convertible Preferred Stock because the effect would be anti-dilutive. Additionally, weighted average restricted stock units and stock options of 11.2 million were excluded from the diluted share count because their effect would have been anti-dilutive.

For the three months ended March 31, 2021, shares related to the as-if converted Series A Convertible Preferred Stock of 9.2 million were excluded from the diluted share count because their effect would have been anti-dilutive. For the three months ended March 31, 2021, weighted average restricted stock units and stock options of 5.0 million were excluded from the diluted share count because their effect would have been anti-dilutive.

13. DERIVATIVES AND HEDGING INSTRUMENTS

NCR is exposed to certain risks arising from both our business operations and economic conditions. We principally manage exposures to a wide variety of business and operational risk through management of core business activities. We manage interest rate risk associated with our vault cash rental obligations and floating rate-debt by managing the amount, sources, and duration of debt funding and the use of derivative financial instruments. The Company uses interest rate cap agreements or interest rate swap contracts (“Interest Rate Derivatives”) to manage differences in the amount, timing and duration of known or expected cash payments related to our existing TLA Facility and vault cash agreements.

Further, a substantial portion of our operations and revenue occur outside the United States and, as such, NCR has exposure to approximately 50 functional currencies. Our results can be significantly impacted, both positively and negatively, by changes in foreign currency exchange rates. The Company seeks to mitigate such impact by hedging its foreign currency transaction exposure using foreign currency forward and option contracts. We do not enter into hedges for speculative purposes.

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Foreign Currency Exchange Risk

The accounting guidance for derivatives and hedging requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the Condensed Consolidated Balance Sheets. The Company designates foreign exchange contracts as cash flow hedges of forecasted transactions when they are determined to be highly effective at inception.

Our risk management strategy includes hedging, on behalf of certain subsidiaries, a portion of our forecasted, non-functional currency denominated cash flows for a period of up to 15 months. As a result, some of the impact of currency fluctuations on non-functional currency denominated transactions (and hence on subsidiary operating income, as stated in the functional currency), is mitigated in the near term. In the longer term (greater than 15 months), the subsidiaries are still subject to the effect of translating the functional currency results to United States Dollars. To manage our exposures and mitigate the impact of currency fluctuations on the operations of our foreign subsidiaries, we hedge our main transactional exposures through the use of foreign exchange forward and option contracts. This is primarily done through the hedging of foreign currency denominated inter-company inventory purchases by NCR's marketing units and the foreign currency denominated inputs to our manufacturing units. If the hedge is designated as a highly effective cash flow hedge, the gains or losses are deferred into accumulated other comprehensive income ("AOCI"). The gains or losses from derivative contracts that are designated as highly effective cash flow hedges related to inventory purchases are recorded in cost of products when the inventory is sold to an unrelated third party. Otherwise, they are recorded in earnings when the exchange rates change. As of March 31, 2022 and December 31, 2021, the balance in AOCI related to foreign exchange derivative transactions was zero.

We also utilize foreign exchange contracts to hedge our exposure of assets and liabilities denominated in non-functional currencies. We recognize the gains and losses on these types of hedges in earnings as exchange rates change.

Interest Rate Risk The Company designates Interest Rate Derivative contracts as cash flow hedges of forecasted transactions when they are determined to be highly effective at inception.

We utilize interest rate swap contracts or interest rate cap agreements to add stability to interest cost and to manage exposure to interest rate movements as part of our interest rate risk management strategy. Payments and receipts related to Interest Rate Derivatives are included in cash flows from operating activities in the Condensed Consolidated Statements of Cash Flows.

In January 2022, the Company executed a \$250 million notional amount interest rate swap contract terminating on January 1, 2025. The interest rate swap contract has a fixed rate of 1.43% and has been designated as a cash flow hedge of floating interest rate cost associated with the Company's U.S. Dollar vault cash agreements.

In March 2022, the Company terminated the outstanding \$2 billion notional amount interest rate cap agreements maturing in 2024 for proceeds of \$64 million. The gains will be recognized ratably through July 1, 2024, corresponding to the term of the original interest rate cap agreements.

In March 2022, the Company executed \$2.2 billion aggregate notional amount interest rate swap contracts that began April 1, 2022 and terminate April 1, 2025. These interest rate swap contracts have fixed rates ranging from 2.078% to 2.443%, and have been designated as cash flow hedges of the floating rate interest associated with the Company's U.S. Dollar and U.K. Pound Sterling vault cash agreements and TLA Facility.

At March 31, 2022, each of our outstanding Interest Rate Derivative agreements were determined to be highly effective. Amounts reported in Accumulated other comprehensive income related to these derivatives will be reclassified to Interest expense and Cost of services as payments are made on the Company's variable-rate debt and vault cash rental obligations, respectively. As of March 31, 2022 and December 31, 2021, the balance in AOCI related to Interest Rate Derivatives was \$53 million and \$8 million, respectively.

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

The following tables provide information on the location and amounts of derivative fair values in the Condensed Consolidated Balance Sheets:

In millions	Fair Values of Derivative Instruments					
	March 31, 2022					
	Balance Sheet Location	Notional Amount	Fair Value	Balance Sheet Location	Notional Amount	Fair Value
Derivatives designated as hedging instruments						
Interest rate swap contracts	Other assets	\$ 2,250	\$ 23	Other current liabilities	\$ 196	\$ 13
Total derivatives designated as hedging instruments			\$ 23	\$ 13		
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	\$ 224	\$ 1	Other current liabilities	\$ 459	\$ 3
Total derivatives not designated as hedging instruments			\$ 1	\$ 3		
Total derivatives			\$ 24	\$ 16		

In millions	Fair Values of Derivative Instruments					
	December 31, 2021					
	Balance Sheet Location	Notional Amount	Fair Value	Balance Sheet Location	Notional Amount	Fair Value
Derivatives designated as hedging instruments						
Interest rate cap contracts	Other Assets	\$ 2,000	\$ 18	Other liabilities	\$ —	\$ —
Total derivatives designated as hedging instruments			\$ 18	\$ —		
Derivatives not designated as hedging instruments						
Foreign exchange contracts	Other current assets	\$ 278	\$ 1	Other current liabilities	\$ 396	\$ 1
Total derivatives not designated as hedging instruments			\$ 1	\$ 1		
Total derivatives			\$ 19	\$ 1		

The effects of derivative instruments on the Condensed Consolidated Statements of Operations and Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2022 and 2021 were as follows:

In millions	Amount of Gain (Loss) Recognized in Other Comprehensive Income (OCI) on Derivative Contracts		Location of (Gain) Loss Reclassified from AOCI into the Condensed Consolidated Statement of Operations	Amount of (Gain) Loss Reclassified from AOCI into the Condensed Consolidated Statement of Operations	
	For the three months ended March 31, 2022	For the three months ended March 31, 2021		For the three months ended March 31, 2022	For the three months ended March 31, 2021
Derivatives in Cash Flow Hedging Relationships					
Interest rate contracts	\$ 57	\$ —	Cost of services	\$ 1	\$ —

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

In millions	Location of Gain (Loss) Recognized in the Condensed Consolidated Statement of Operations	Amount of Gain (Loss) Recognized in the Condensed Consolidated Statement of Operations	
		Three months ended March 31	
		2022	2021
Derivatives not Designated as Hedging Instruments			
Foreign exchange contracts	Other income (expense), net	\$ (6)	\$ (15)

Refer to Note 14, “Fair Value of Assets and Liabilities”, for further information on derivative assets and liabilities recorded at fair value on a recurring basis.

Concentration of Credit Risk

NCR is potentially subject to concentrations of credit risk on accounts receivable and financial instruments such as hedging instruments and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the Condensed Consolidated Balance Sheets. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions as counterparties to hedging transactions and monitoring procedures. NCR’s business often involves large transactions with customers, and if one or more of those customers were to default on its obligations under applicable contractual arrangements, the Company could be exposed to potentially significant losses. However, management believes that the reserves for potential losses are adequate. As of March 31, 2022 and December 31, 2021, we did not have any major concentration of credit risk related to financial instruments.

14. FAIR VALUE OF ASSETS AND LIABILITIES

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and liabilities recorded at fair value on a recurring basis as of March 31, 2022 and December 31, 2021 are set forth as follows:

In millions	March 31, 2022			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Deposits held in money market mutual funds ⁽¹⁾	\$ 17	\$ 17	\$ —	\$ —
Foreign exchange contracts ⁽²⁾	1	—	1	—
Interest rate swap agreements ⁽³⁾	23	—	23	—
Total	\$ 41	\$ 17	\$ 24	\$ —
Liabilities:				
Interest rate swap agreements ⁽⁴⁾	\$ 13	\$ —	\$ 13	\$ —
Foreign exchange contracts ⁽⁴⁾	3	—	3	—
Total	\$ 16	\$ —	\$ 16	\$ —

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

In millions	December 31, 2021			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Deposits held in money market mutual funds ⁽¹⁾	\$ 17	\$ 17	\$ —	\$ —
Foreign exchange contracts ⁽²⁾	1	—	1	—
Interest rate cap agreements ⁽³⁾	18	—	18	—
Total	\$ 36	\$ 17	\$ 19	\$ —
Liabilities:				
Foreign exchange contracts ⁽⁴⁾	\$ 1	\$ —	\$ 1	\$ —
Total	\$ 1	\$ —	\$ 1	\$ —

⁽¹⁾ Included in Cash and cash equivalents in the Condensed Consolidated Balance Sheets.

⁽²⁾ Included in Other current assets in the Condensed Consolidated Balance Sheets.

⁽³⁾ Included in Other assets in the Condensed Consolidated Balance Sheets.

⁽⁴⁾ Included in Other current liabilities in the Condensed Consolidated Balance Sheets.

Deposits Held in Money Market Mutual Funds A portion of the Company's excess cash is held in money market mutual funds that generate interest income based on prevailing market rates. Money market mutual fund holdings are measured at fair value using quoted market prices and are classified within Level 1 of the valuation hierarchy.

Foreign Exchange Contracts As a result of our global operating activities, we are exposed to risks from changes in foreign currency exchange rates, which may adversely affect our financial condition. To manage our exposures and mitigate the impact of currency fluctuations on our financial results, we hedge our primary transactional exposures through the use of foreign exchange forward and option contracts. The foreign exchange contracts are valued using the market approach based on observable market transactions of forward rates and are classified within Level 2 of the valuation hierarchy.

Interest Rate Swap and Cap Agreements In order to add stability to interest expense and operating costs and to manage exposure to interest rate movements the Company utilizes interest rate swap contracts and interest rate cap agreements as part of its interest rate risk management strategy. The interest rate cap agreements are valued using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the caps. The variable interest rates used in the calculation of projected receipts on the cap are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. The interest rate swap contracts are valued using an income model based on disparity between variable and fixed interest rates, the scheduled balance of underlying principal outstanding, yield curves, and other information readily available in the market. As such, the interest rate swap contracts and interest rate cap agreements are classified in Level 2 of the fair value hierarchy.

We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we consider the impact of netting and any applicable credit enhancements. We measure the credit risk of our derivative financial instruments that are subject to master netting agreements on a net basis by counterparty portfolio.

Although we have determined that the majority of the inputs used to value our derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments utilize Level 3 inputs to evaluate the likelihood of both our own default and counterparty default. As of March 31, 2022, we determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives and therefore, the valuations are classified in Level 2 of the fair value hierarchy.

Assets Measured at Fair Value on a Non-recurring Basis

From time to time, certain assets are measured at fair value on a nonrecurring basis using significant unobservable inputs (Level 3). NCR reviews the carrying values of investments when events and circumstances warrant and considers all available evidence in evaluating when declines in fair value are other-than-temporary declines. There were no material impairment charges or non-recurring fair value adjustments recorded during the three months ended March 31, 2022 and 2021.

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

15. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in Accumulated Other Comprehensive Income (“AOCI”) by Component

In millions	Currency Translation Adjustments	Changes in Employee Benefit Plans	Changes in Fair Value of Effective Cash Flow Hedges	Total
Balance as of December 31, 2021	\$ (275)	\$ (24)	\$ 8	\$ (291)
Other comprehensive income (loss) before reclassifications	(26)	—	44	18
Amounts reclassified from AOCI	—	(1)	1	—
Net current period other comprehensive (loss) income	(26)	(1)	45	18
Balance as of March 31, 2022	\$ (301)	\$ (25)	\$ 53	\$ (273)

Reclassifications Out of AOCI

In millions	For the three months ended March 31, 2022			
	Employee Benefit Plans			Total
	Amortization of Actuarial Loss (Gain)	Amortization of Prior Service Benefit	Effective Cash Flow Hedge Loss (Gain)	
Affected line in Condensed Consolidated Statement of Operations:				
Cost of products	\$ —	\$ —	\$ —	\$ —
Cost of services	—	(1)	1	—
Selling, general and administrative expenses	—	—	—	—
Research and development expenses	—	—	—	—
Total before tax	\$ —	\$ (1)	\$ 1	\$ —
Tax expense				—
Total reclassifications, net of tax				\$ —

In millions	For the three months ended March 31, 2021			
	Employee Benefit Plans			Total
	Amortization of Actuarial Loss (Gain)	Amortization of Prior Service Benefit	Effective Cash Flow Hedge Loss (Gain)	
Affected line in Condensed Consolidated Statement of Operations:				
Cost of products	\$ —	\$ —	\$ —	\$ —
Cost of services	—	(1)	—	(1)
Total before tax	\$ —	\$ (1)	\$ —	\$ (1)
Tax expense				—
Total reclassifications, net of tax				\$ (1)

NCR Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)—(Continued)

16. SUPPLEMENTAL FINANCIAL INFORMATION

The components of accounts receivable are summarized as follows:

In millions	March 31, 2022	December 31, 2021
Accounts receivable		
Trade	\$ 1,049	\$ 939
Other	48	44
Accounts receivable, gross	1,097	983
Less: allowance for credit losses	(26)	(24)
Total accounts receivable, net	\$ 1,071	\$ 959

Our allowance for credit losses as of March 31, 2022 and December 31, 2021 was \$26 million and \$24 million, respectively. The impact to our allowance for credit losses for the three months ended March 31, 2022 was an expense of \$4 million. We continue to evaluate our reserves in light of the age and quality of our outstanding accounts receivable, risks to specific industries or countries, as well as the COVID-19 pandemic, and adjust the reserves accordingly. Our allowance for credit losses charged to expense for the three months ended March 31, 2021 was zero. The Company recorded write-offs against the reserve for the three months ended March 31, 2022 and 2021 of \$2 million and \$12 million, respectively.

The components of inventory are summarized as follows:

In millions	March 31, 2022	December 31, 2021
Inventories		
Work in process and raw materials	\$ 176	\$ 184
Finished goods	241	185
Service parts	388	385
Total inventories	\$ 805	\$ 754

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ("MD&A")

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and notes thereto included under Item 1. Financial Statements of this Form 10-Q and our Consolidated Financial Statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2021 (the "2021 Form 10-K").

Our discussion within MD&A is organized as follows:

- *Overview.* This section contains background information on our company, summary of significant themes and events during the quarter as well as strategic initiatives and trends in order to provide context for management's discussion and analysis of our financial condition and results of operations.
- *Results of operations.* This section contains an analysis of our results of operations presented in the accompanying condensed consolidated statements of income by comparing the results for the three months ended March 31, 2022 to the results for the three months ended March 31, 2021.
- *Liquidity and capital resources.* This section provides an analysis of our cash flows and a discussion of our contractual obligations at March 31, 2022.

OVERVIEW

BUSINESS OVERVIEW

NCR Corporation ("NCR", the "Company", "we" or "us") was originally incorporated in 1884 and is a software- and services-led enterprise technology provider that runs stores, restaurants and self-directed banking for our customers, which includes businesses of all sizes. NCR is a global company that is headquartered in Atlanta, Georgia. Our software platform, which runs in the cloud and includes microservices and APIs that integrate with our customers' systems, and our NCR-as-a-Service solutions bring together all of the capabilities and competencies of NCR to power the technology to run our customers' operations. Our portfolio includes digital first software and services offerings for banking, retailers and restaurants, as well as payments processing and networks, multi-vendor connected device services, automated teller machines ("ATMs"), self-checkout ("SCO"), point of sale ("POS") terminals and other self-service technologies. We also resell third-party networking products and provide related service offerings in the telecommunications and technology sector. Our solutions are designed to support our transition to becoming a software platform and payments company.

Effective January 1, 2022, the Company realigned its reportable segments to correspond with changes to its operating model, management structure and organizational responsibilities. The reportable segments effective January 1, 2022 include: Payments & Network, Digital Banking, Self-Service Banking, Retail, and Hospitality.

- *Payments & Network* - We provide a cost-effective way for financial institutions, fintechs, and neobanks to reach and serve their customers through our network of automated teller machines ("ATMs") and multi-functioning financial services kiosks. We offer credit unions, banks, digital banks, fintechs, stored-value debit card issuers, and other consumer financial services providers access to our Allpoint retail-based ATM network, providing convenient and fee-free cash withdrawal and deposit access to their customers and cardholders as well as the ability to convert a digital value to cash, or vice versa, via NCRPay360. We also provide ATM branding, management and services to financial institutions and businesses.
- *Digital Banking* - NCR Digital Banking helps financial institutions implement their digital-first platform strategy by providing solutions for account opening, account management, transaction processing, imaging, and branch services to enable financial institutions to offer a compelling customer experience.
- *Self-Service Banking* - We offer solutions to enable customers in the financial services industry to reduce costs, generate new revenue streams and enhance customer loyalty. These solutions include a comprehensive line of ATM hardware and software, and related installation, maintenance, and managed and professional services.

- *Retail* - We offer software-led solutions to customers in the retail industry, leading with digital to connect retail operations end to end to integrate all aspects of a customer's operations in indoor and outdoor settings from POS, to payments, inventory management, fraud and loss prevention applications, loyalty and consumer engagement. These solutions include retail-oriented technologies such as comprehensive API-point of sale retail software platforms and applications, hardware terminals, self-service kiosks including self-checkout ("SCO"), payment processing solutions, and bar-code scanners.
- *Hospitality* - We offer technology solutions to customers in the hospitality industry, including table-service, quick-service and fast casual restaurants of all sizes, that are designed to improve operational efficiency, increase customer satisfaction, streamline order and transaction processing and reduce operating costs. Our solutions include POS hardware and software solutions, installation, maintenance, managed and professional services as well as payment processing solutions.

Corporate and Other includes income and expenses related to corporate functions that are not specifically attributable to an individual reportable segment along with any immaterial operating segment(s).

Eliminations includes revenues from contracts with customers and the related costs that are reported in the Payments & Network segment as well as in the Retail or Hospitality segments, including merchant acquiring services that are monetized via payments.

NCR's reputation is founded upon over 137 years of providing quality products, services and solutions to our customers. At the heart of our customer and other business relationships is a commitment to acting responsibly, ethically and with the highest level of integrity. This commitment is reflected in NCR's Code of Conduct, which is available on the Corporate Governance page of our website.

SIGNIFICANT THEMES AND EVENTS

As more fully discussed in later sections of this MD&A, the following were significant themes and events for the first quarter of 2022.

- Revenue of \$1,866 million, up 21%
- Cash flow from operations of \$38 million; Free cash outflow of \$10 million
- Completed acquisition of LibertyX on January 5, 2022, a leading cryptocurrency software provider
- Numerous external macro factors impacted quarterly results

STRATEGIC INITIATIVES AND TRENDS

In order to provide long-term value to all our stakeholders, we set complementary business goals and financial strategies. NCR is continuing its transition to become a software platform and payments company with a shift to a higher level of recurring revenue. Our business goal is to be a leading enterprise technology provider that runs stores, restaurants and self-directed banking through our software platform and our NCR-as-a-Service solutions. In late 2021, we established aspirational five-year financial goals for 2026, which include annual recurring revenue of 80 percent by 2026, annual earnings per share (non-GAAP EPS)⁽¹⁾ growth of 15 percent, and annual non-GAAP free cash flow⁽¹⁾ of \$1 billion in 2026. Execution of our goals and strategy is driven by the following key pillars: (i) focus on our customers; (ii) take care of our employees; (iii) bring high-quality, innovative products to market; and (iv) leverage our brand.

As we strive to achieve these aspirational five-year goals, we plan to capitalize on opportunities presented by the acquisitions of Cardtronics and LibertyX to accelerate our Payments & Network business as we go to market with a more robust offering in this segment. We also plan to continue to improve our execution to drive solid returns and to transform our business to drive a re-rate of our valuation.

(1) With respect to our goals of free cash flow and non-GAAP EPS growth, we are not providing a reconciliation to the respective GAAP measure because we are unable to predict with reasonable certainty the reconciling items that may affect GAAP EPS and Cash flow from operations without unreasonable effort. For our definition of free cash flow, see the Financial Condition, Liquidity and Capital Resources section within MD&A. For our definition of non-GAAP EPS and our use of the term annual recurring revenue, see the Key Strategic Financial Metrics section within MD&A.

On February 8, 2022, NCR announced that its Board of Directors unanimously approved commencing a comprehensive strategic review, with the assistance of outside advisors, which will evaluate a full range of strategic alternatives available to NCR to enhance value for all shareholders. Those strategic alternatives could include a disposition of a material business or assets of the Company, a spin-off, merger or sale of the Company, other structural changes, changes to branding or geographic footprint, or other transactions or alternatives. The Board has not set a timetable for the conclusion of its review of strategic alternatives. NCR does not intend to comment further on the strategic review process unless and until NCR has determined that further disclosure is beneficial or required by law. Shareholders are advised that there can be no certainty that the strategic review will result in a transaction, or if a transaction is pursued that such a transaction will be completed.

Cybersecurity Risk Management

Similar to most companies, NCR and its customers are subject to more frequent and increasingly sophisticated cybersecurity attacks. The Company maintains cybersecurity risk management policies and procedures including disclosure controls, which it regularly evaluates for updates, for handling and responding to cybersecurity events. These policies and procedures include internal notifications and engagements and, as necessary, cooperation with law enforcement. Personnel involved in handling and responding to cybersecurity events periodically undertake tabletop exercises to simulate an event. Our internal notification procedures include notifying the applicable Company attorneys, which, depending on the level of severity assigned to the event, may include direct notice to, among others, the Company's General Counsel, Ethics & Compliance Officer, and Chief Privacy Officer. Company attorneys support efforts to evaluate the materiality of any incidents, determine whether notice to third parties such as customers or vendors is required, determine whether any prohibition on insider trading is appropriate, and assess whether disclosure to stockholders or governmental filings, including with the SEC, are required. Our internal notification procedures also include notifying various NCR Information Technology Services managers, subject matter experts in the Company's software department and Company leadership, depending on the level of severity assigned to the event.

Impacts from Geopolitical, Macroeconomic, and COVID-19 Challenges

We continue to be exposed to macroeconomic pressures as a result of the lingering impacts of the COVID-19 pandemic, supply chain challenges, and spikes in commodity and energy prices as a result of geopolitical challenges, including the war in Eastern Europe. We continue to navigate through these challenges with a sharp focus on and goal of safeguarding our employees, helping our customers and managing impacts on our supply chain. Despite the unprecedented environment, our teams are executing at a high level and we are advancing our strategy.

The COVID-19 pandemic is complex and continues to evolve. While it is difficult to project the long-term impact of the pandemic, we expect it will negatively impact our business at least in the short-term. The ultimate impact on our overall financial condition and operating results will depend on the currently unknowable duration and severity of the pandemic, supply chain challenges and cost escalations including materials, labor and freight, and any additional governmental and public actions taken in response.

The war in Eastern Europe and related sanctions imposed on Russia and related actors have resulted in interest rate acceleration and inflation, including, but not limited to, a significant increase in the price of energy around the world, particularly in regions such as Europe that are significantly dependent on Russia for their energy needs, and continued commodity price increases due to disruption in the mining industry in Ukraine and other factors. The war in Eastern Europe has also contributed to further disruption in logistics due to the shipping difficulties in and around the Black Sea and its ports, which have resulted in the rerouting of traffic to other ports and further logistics challenges.

We expect that these factors will continue to negatively impact our business at least in the short-term. The ultimate impact on our overall financial condition and operating results will depend on the currently unknowable duration and severity of these activities. We continue to evaluate the long-term impact that these may have on our business model, however there can be no assurance that the measures we have taken or will take will completely offset the negative impact.

For further information on the risks posed to our business from the COVID-19 pandemic, refer to Part I, Item 1A, "Risk Factors", of the Company's 2021 Form 10-K.

Results from Operations

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Key Strategic Financial Metrics

The following tables show our key strategic financial metrics for the three months ended March 31, the relative percentage that those amounts represent to total revenue, and the change in those amounts year-over-year.

Recurring revenue as a percentage of total revenue

In millions	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
	2022	2021	2022	2021	2022 v 2021
Recurring revenue ⁽¹⁾	\$ 1,179	\$ 874	63.2 %	56.6 %	35 %
All other products and services	687	670	36.8 %	43.4 %	3 %
Total Revenue	\$ 1,866	\$ 1,544	100.0 %	100.0 %	21 %

⁽¹⁾ Recurring revenue includes all revenue streams from contracts where there is a predictable revenue pattern that will occur at regular intervals with a relatively high degree of certainty. This includes hardware and software maintenance revenue, cloud revenue, payment processing revenue, interchange and network revenue, and certain professional services arrangements as well as term-based software license arrangements that include customer termination rights.

Net income (loss) from continuing operations and Adjusted EBITDA as a percentage of total revenue

In millions	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
	2022	2021	2022	2021	2022 v 2021
Net income (loss) from continuing operations attributable to NCR	\$ (33)	\$ 30	(1.8)%	1.9 %	(210)%
Adjusted EBITDA	\$ 271	\$ 258	14.5 %	16.7 %	5 %

Non-GAAP Financial Measures and Use of Certain Terms:

The term “annual recurring revenue” is recurring revenue, excluding software license sold as a subscription, for the last three months times four, plus the rolling four quarters for term-based software license arrangements that include customer termination rights.

Non-GAAP Earnings per Share (“Non-GAAP EPS”) NCR’s non-GAAP EPS is determined by excluding, as applicable, pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits, as well as other special items, including amortization of acquisition related intangibles and transformation and restructuring activities, from NCR’s GAAP earnings per share. Due to the non-operational nature of these pension and other special items, NCR’s management uses this non-GAAP measure to evaluate year-over-year operating performance. NCR believes this measure is useful for investors because it provides a more complete understanding of NCR’s underlying operational performance, as well as consistency and comparability with NCR’s past reports of financial results.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) NCR’s management uses the non-GAAP measure Adjusted EBITDA because it provides useful information to investors as an indicator of strength and performance of the Company’s ongoing business operations, including funding discretionary spending such as capital expenditures, strategic acquisitions, and other investments. NCR determines Adjusted EBITDA based on GAAP net income (loss) from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus stock-based compensation expense; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items,

including amortization of acquisition-related intangibles and restructuring charges, among others. Refer to the table below for the reconciliations of net income (loss) from continuing operations (GAAP) to Adjusted EBITDA (non-GAAP).

Special Item Related to Russia The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required the orderly wind down of our operations in Russia beginning in the first quarter of 2022. As a result, for the three months ending March 31, 2022, our non-GAAP presentation of the measures described above exclude the impact of our operating results in Russia, as well as the impact of impairments taken to write down the carrying value of assets and liabilities, severance charges, and the assessment of collectability on revenue recognition. We consider this to be a special item and management has reviewed the results of its business segments excluding these impacts.

NCR's definitions and calculations of these non-GAAP measures may differ from similarly-titled measures reported by other companies and cannot, therefore, be compared with similarly-titled measures of other companies. These non-GAAP measures should not be considered as substitutes for, or superior to, results determined in accordance with GAAP.

In millions	Three months ended March 31	
	2022	2021
Net income (loss) from continuing operations attributable to NCR (GAAP)	\$ (33)	\$ 30
Transformation and restructuring costs	27	8
Acquisition-related amortization of intangibles	41	20
Acquisition-related costs	5	27
Interest expense	63	45
Interest income	(1)	(3)
Depreciation and amortization (excluding acquisition-related amortization of intangibles)	103	70
Income taxes	13	17
Stock-based compensation expense	34	44
Russia	19	—
Adjusted EBITDA (non-GAAP)	\$ 271	\$ 258

Consolidated Results

The following table shows our results for the three months ended March 31, the relative percentage that those amounts represent to revenue, and the change in those amounts year-over-year.

In millions	Three months ended March 31		Percentage of Revenue ⁽¹⁾		Increase (Decrease)
	2022	2021	2022	2021	2022 v 2021
Product revenue	\$ 516	\$ 482	27.7 %	31.2 %	7 %
Service revenue	1,350	1,062	72.3 %	68.8 %	27 %
Total revenue	1,866	1,544	100.0 %	100.0 %	21 %
Product gross margin	24	74	4.7 %	15.4 %	(68)%
Service gross margin	387	340	28.7 %	32.0 %	14 %
Total gross margin	411	414	22.0 %	26.8 %	(1)%
Selling, general and administrative expenses	313	238	16.8 %	15.4 %	32 %
Research and development expenses	65	66	3.5 %	4.3 %	(2)%
Income from operations	\$ 33	\$ 110	1.8 %	7.1 %	(70)%

⁽¹⁾ The percentage of revenue is calculated for each line item divided by total revenue, except for product gross margin and service gross margin, which are divided by the related component of revenue.

Revenue

In millions	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
	2022	2021	2022	2021	2022 vs 2021
Product revenue	\$ 516	\$ 482	27.7 %	31.2 %	7 %
Service revenue	1,350	1,062	72.3 %	68.8 %	27 %
Total revenue	\$ 1,866	\$ 1,544	100.0 %	100.0 %	21 %

Product revenue includes our hardware and software license revenue streams. Service revenue includes hardware and software maintenance revenue, implementation services revenue, cloud revenue, payments processing revenue, interchange and network revenue, as well as professional services revenue.

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Total revenue increased 21% for the three months ended March 31, 2022 compared to the three months ended March 31, 2021. Product revenue for the three months ended March 31, 2022 increased 7% compared to the three months ended March 31, 2021 due to growth in SCO and POS revenue partially offset by a decline in ATM revenue. Service revenue for the three months ended March 31, 2022 increased 27% due to growth in software related services, which includes the results of Cardtronics, and hardware maintenance.

Gross Margin

In millions	Three months ended March 31		Percentage of Revenue ⁽¹⁾		Increase (Decrease)
	2022	2021	2022	2021	2022 v 2021
Product gross margin	\$ 24	\$ 74	4.7 %	15.4 %	(68)%
Service gross margin	387	340	28.7 %	32.0 %	14 %
Total gross margin	\$ 411	\$ 414	22.0 %	26.8 %	(1)%

⁽¹⁾ The percentage of revenue is calculated for each line item divided by the related component of revenue.

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Gross margin as a percentage of revenue in the three months ended March 31, 2022 was 22.0% compared to 26.8% in the three months ended March 31, 2021. Gross margin in the three months ended March 31, 2022 included \$5 million of transformation costs, \$19 million of amortization of acquisition-related intangible assets, and \$14 million related to operating losses, impairments and other actions taken with respect to our operations in Russia. Gross margin for the three months ended March 31, 2021 included \$4 million of transformation costs and \$7 million of amortization of acquisition-related intangible assets. Excluding these items, gross margin as a percentage of revenue decreased from 27.5% to 24.1% due to increases in fuel costs, component parts, and interest rates as well as other supply chain challenges that negatively impacted our costs. The impact of these cost increases were partially offset by an increase in the favorable higher margin software and services revenue.

Selling, General and Administrative Expenses

In millions	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
	2022	2021	2022	2021	2022 vs 2021
Selling, general and administrative expenses	\$ 313	\$ 238	16.8 %	15.4 %	32 %

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Selling, general, and administrative expenses were \$313 million compared to \$238 million in the three months ended March 31, 2022 and 2021, respectively. As a percentage of revenue, selling, general and administrative expenses were 16.8% compared to 15.4% in the three months ended March 31, 2022 and 2021, respectively. In the three months ended March 31, 2022, selling, general and administrative expenses included \$21 million of transformation costs, \$22 million of amortization of acquisition-related intangible assets, \$5 million of acquisition-related costs and \$4 million of costs related to actions taken with respect to our operations in Russia. In the three months ended March 31, 2021, selling, general and administrative expenses included \$2 million of transformation costs, \$13 million of amortization of acquisition-related intangible assets, and \$10 million of acquisition-related costs. Excluding these items, selling, general and administrative expenses increased slightly as a percentage of revenue from 13.8% to 14.0%.

Research and Development Expenses

In millions	Three months ended March 31		Percentage of Total Revenue		Increase (Decrease)
	2022	2021	2022	2021	2022 v 2021
Research and development expenses	\$ 65	\$ 66	3.5 %	4.3 %	(2)%

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Research and development expenses were \$65 million compared to \$66 million in the three months ended March 31, 2022 and 2021, respectively. As a percentage of revenue, these costs were 3.5% and 4.3% in the three months ended March 31, 2022 and 2021, respectively. In the three months ended March 31, 2022, research and development expenses included \$1 million of transformation costs. In the three months ended March 31, 2021, research and development expenses included \$2 million of transformation costs. After considering this item, research and development expenses decreased slightly as a percentage of revenue from 4.1% to 3.4% due to an increase in revenue year over year.

Interest Expense

In millions	Three months ended March 31		Increase (Decrease)
	2022	2021	2022 v 2021
Interest expense	\$ 63	\$ 45	40 %

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Interest expense was \$63 million compared to \$45 million in the three months ended March 31, 2022 and 2021, respectively. Interest expense is primarily related to the Company's senior unsecured notes and borrowings under the Company's senior secured credit facility. The main driver was related to the increase in total outstanding debt as a result of the closing of the acquisition of Cardtronics in the second quarter of 2021.

Other Income (Expense), net

Other income (expense), net was income of \$9 million and expense of \$17 million in the three months ended March 31, 2022 and 2021, respectively, with the components reflected in the following table:

In millions	Three months ended March 31	
	2022	2021
Interest income	\$ 1	\$ 3
Foreign currency fluctuations and foreign exchange contracts	—	(4)
Bank-related fees	(2)	(19)
Employee benefit plans	11	3
Other, net	(1)	—
Other income (expense), net	\$ 9	\$ (17)

In the three months ended March 31, 2021, the Company incurred bank-related fees of \$17 million related to certain structuring and commitment fees as a result of the financing transactions entered into during the first quarter of 2021 related to the transaction with Cardtronics.

Income Taxes

In millions	Three months ended March 31	
	2022	2021
Income tax expense (benefit)	\$ 13	\$ 17

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Income tax provisions for interim (quarterly) periods are based on an estimated annual effective income tax rate calculated separately from the effect of significant, infrequent or unusual items. Income tax expense was \$13 million for the three months ended March 31, 2022 compared to \$17 million income tax expense for the three months ended March 31, 2021. The change was primarily driven by a pre-tax book loss offset by the removal of tax benefit in certain foreign jurisdictions where the benefit will not be realized. Additionally, during the three months ended March 31, 2022, the Company did not recognize any material discrete tax consistent with the three months ended March 31, 2021.

The Company is subject to numerous federal, state and foreign tax audits. While we believe that appropriate reserves exist for issues that might arise from these audits, should these audits be settled, the resulting tax effect could impact the tax provision and cash flows in 2022 or future periods.

Loss from Discontinued Operations

In the three months ended March 31, 2022, the \$1 million loss from discontinued operations, net of tax, was driven by immaterial updates to various environmental remediation matters. In the three months ended March 31, 2021, there was no activity related to discontinued operations.

Revenue and Adjusted EBITDA by Segment

The Company manages and reports its businesses in the following segments: Payments & Network, Digital Banking, Self-Service Banking, Retail, and Hospitality. Segments are measured for profitability by the Company's chief operating decision maker based on revenue and segment Adjusted EBITDA. Adjusted EBITDA is defined as GAAP net income (loss) from continuing operations attributable to NCR plus interest expense, net; plus income tax expense (benefit); plus depreciation and amortization; plus stock-based compensation expense; plus other income (expense); plus pension mark-to-market adjustments, pension settlements, pension curtailments and pension special termination benefits and other special items, including amortization of acquisition-related intangibles, restructuring charges, among others. The special items are considered non-operational so are excluded from the Adjusted EBITDA metric utilized by our chief operating decision maker in evaluating segment performance and are separately delineated to reconcile back to total reported income (loss) from continuing operations attributable to NCR. This format is useful to investors because it allows analysis and comparability of operating trends. It also includes the same information that is used by NCR management to make decisions regarding the segments and to assess our financial performance.

Corporate and Other includes income and expenses related to corporate functions that are not specifically attributable to an individual reportable segment along with any immaterial operating segment(s).

Special Item Related to Russia The war in Eastern Europe and related sanctions imposed on Russia and related actors by the United States and other jurisdictions required us to orderly wind down our operations in Russia beginning in the first quarter of 2022. As a result, for the three months ending March 31, 2022, our non-GAAP presentation of the measures described above exclude the impact of our operating results in Russia, as well as the impact of impairments taken to write down the carrying value of assets and liabilities, severance charges, and the assessment of collectability on revenue recognition. We consider this to be a special item and management has reviewed the results of its business segments excluding these impacts. We have not adjusted the presentation of the prior year period due to the immaterial impact of Russia to income from continuing operations for the three months ended March 31, 2021.

The following tables show our segment revenue and Adjusted EBITDA for the three months ended March 31, the relative percentage that those amounts represent to segment revenue, and the change in those amounts year-over-year.

In millions	Three months ended March 31		Percentage of Revenue ⁽¹⁾		Increase (Decrease)
	2022	2021	2022	2021	2022 v 2021
Revenue					
Payments & Network	\$ 299	\$ 22	16.0 %	1.4 %	1,259 %
Digital Banking	136	123	7.3 %	8.0 %	11 %
Self-Service Banking	611	628	32.8 %	40.7 %	(3)%
Retail	546	520	29.3 %	33.7 %	5 %
Hospitality	211	179	11.3 %	11.6 %	18 %
Other	68	77	3.7 %	5.0 %	(12)%
Eliminations ⁽²⁾	(8)	(5)	(0.4) %	(0.3)%	60 %
Total segment revenue	\$ 1,863	\$ 1,544	100.0 %	100.0 %	21 %
Other adjustment ⁽³⁾	3	—			
Total revenue	\$ 1,866	\$ 1,544			
Adjusted EBITDA by Segment					
Payments & Network	\$ 98	\$ 3	32.8 %	13.6 %	3,167 %
Digital Banking	56	54	41.2 %	43.9 %	4 %
Self-Service Banking	112	137	18.3 %	21.8 %	(18)%
Retail	67	98	12.3 %	18.8 %	(32)%
Hospitality	41	36	19.4 %	20.1 %	14 %
Corporate and Other	(97)	(67)	(142.6) %	(87.0)%	45 %
Eliminations ⁽²⁾	(6)	(3)	75.0 %	60.0 %	100 %
Total Adjusted EBITDA	\$ 271	\$ 258	14.5 %	16.7 %	5 %

⁽¹⁾ The percentage of revenue is calculated for each line item divided by total revenue, except for Adjusted EBITDA, which are divided by the related component of revenue.

⁽²⁾ Eliminations includes revenues from contracts with customers and the related costs that are reported in the Payments & Network segment as well as in the Retail or Hospitality segments, including merchant acquiring services that are monetized via payments.

⁽³⁾ Other adjustment reflects the revenue attributable to the Company's operations in Russia for the three months ending March 31, 2022 that were excluded from management's measure of revenue due to our announcement to suspend sales to Russia and anticipated orderly wind down of our operations in Russia. The revenue attributable to the Russia operations for the prior period of \$8 million are included in the respective segments.

Segment Revenue

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Payments & Network revenue increased significantly for the three months ended March 31, 2022 compared to the prior year period, primarily due to additional payments processing revenue from the acquisition of Cardtronics, which occurred in the second quarter of 2021. Additionally, the three months ending March 31, 2022 includes cryptocurrency transaction processing revenue following the acquisition of LibertyX in January 2022.

Digital Banking revenue increased 11% for the three months ended March 31, 2022 compared to the prior year period, due to an increase in software license and cloud services revenues.

Self-Service Banking revenue decreased 3% for the three months ended March 31, 2022 compared to the prior year period, due to a decline in ATM hardware sales partially offset by an increase in software and services revenues, including hardware maintenance and professional services. The decline in ATM hardware sales was due in part to supply chain challenges that

resulted in temporary order fulfillment delays. Software and services revenue as a percent of total Self-Service Banking segment revenue increased from 68% in the first quarter of 2021 to 72% in the first quarter of 2022.

Retail revenue increased 5% for the three months ended March 31, 2022 compared to the prior year period, primarily due to higher self check-out hardware and point-of-sale solutions revenue partially offset by a decrease in services revenue.

Hospitality revenue increased 18% for the three months ended March 31, 2022 compared to the prior year period, driven primarily by an increase in point-of-sale solutions revenue, as well as an increase in services and payments processing revenues.

For the operations grouped as Other, revenue decreased 12% for the three months ended March 31, 2022 compared to the prior year period, primarily due to a decrease in hardware maintenance revenue in the telecommunications and technology business.

Segment Adjusted EBITDA

For the three months ended March 31, 2022 compared to the three months ended March 31, 2021

Payments & Network Adjusted EBITDA increased significantly for the three months ended March 31, 2022 compared to the prior year period, primarily due to additional payments processing revenue from the acquisition of Cardtronics, which occurred in the second quarter of 2021.

Digital Banking Adjusted EBITDA increased 4% for the three months ended March 31, 2022 compared to the prior year period, driven by an increase in recurring revenue.

Self-Service Banking Adjusted EBITDA declined 18% for the three months ended March 31, 2022 compared to the prior year period, primarily due to supply chain challenges and increased fuel costs which drove up component and other costs, particularly in ATM hardware, hardware maintenance and transaction services. These headwinds were partially offset by an increase in recurring revenue.

Retail Adjusted EBITDA declined 32% for the three months ended March 31, 2022 compared to the prior year period, primarily driven by product cost and mix, increased labor costs, and other supply chain challenges, partially offset by an increase in recurring revenue.

Hospitality Adjusted EBITDA increased 14% for the three months ended March 31, 2022 compared to the prior year period, primarily driven by an increase in recurring and non-recurring revenue driven by subscription and payments processing. These improvements were partially offset by supply chain challenges and increased fuel costs which drove up component and other costs, particularly in transaction services and hardware.

Corporate and Other increased 45% for the three months ended March 31, 2022 compared to the prior year period, primarily due to infrastructure costs of the Cardtronics business that was acquired in the second quarter of 2021.

Financial Condition, Liquidity, and Capital Resources

Cash provided by operating activities was \$38 million in the three months ended March 31, 2022 compared to cash provided by operating activities of \$155 million in the three months ended March 31, 2021. The decrease in cash provided by operating activities in the three months ended March 31, 2022 was driven by lower operating earnings as well as the unfavorable movement in net working capital accounts.

NCR's management uses a non-GAAP measure called "free cash flow" to assess the financial performance of the Company. We define free cash flow as net cash provided by (used in) operating activities less capital expenditures for property, plant and equipment, less additions to capitalized software, plus/minus restricted cash settlement activity, plus acquisition-related items, less the impact from the initial sale of trade accounts receivables under the agreement entered into during the 3rd quarter of 2021, and plus pension contributions and settlements. We believe free cash flow information is useful for investors because it relates the operating cash flows from the Company's continuing and discontinued operations to the capital that is spent to continue and improve business operations. In particular, free cash flow indicates the amount of cash available after capital expenditures for, among other things, investments in the Company's existing businesses, strategic acquisitions, repurchases of NCR stock and repayment of debt obligations. Free cash flow does not represent the residual cash flow available for discretionary expenditures, since there may be other non-discretionary expenditures that are not deducted from the measure. Free cash flow does not have a uniform definition under GAAP, and therefore NCR's definition may differ from other

companies' definitions of this measure. This non-GAAP measure should not be considered a substitute for, or superior to, cash flows from operating activities under GAAP.

The table below reconciles net cash provided by operating activities to NCR's non-GAAP measure of free cash flow for the three months ended March 31:

In millions	Three months ended March 31	
	2022	2021
Net cash provided by operating activities	\$ 38	\$ 155
Expenditures for property, plant and equipment	(15)	(10)
Additions to capitalized software	(65)	(51)
Restricted cash settlement activity	28	(5)
Pension contributions	4	4
Free cash flow (non-GAAP)	\$ (10)	\$ 93

Financing activities and certain other investing activities are not included in our calculation of free cash flow. Other investing activities primarily include business acquisitions, divestitures and investments. During the three months ended March 31, 2022, the payments for business combinations totaled \$1 million, net of cash acquired, for the cash consideration paid related to the acquisition of LibertyX completed in January of 2022 and the acquisition of Cardtronics in June of 2021. The LibertyX acquisition was completed via issuance of NCR common stock in exchange for the outstanding shares of LibertyX. During the three months ended March 31, 2021, the payments for business combinations was \$157 million, mainly related to the acquisitions completed in the first quarter of 2021.

Our financing activities include borrowings and repayments of credit facilities. Financing activities during the three months ended March 31, 2022 also included dividends paid on the Series A preferred stock of \$4 million, proceeds from employee stock plans of \$6 million as well as tax withholding payments on behalf of employees for stock based awards that vested of \$36 million. Financing activities during the three months ended March 31, 2021 included dividends paid on the Series A preferred stock of \$4 million, proceeds from stock employee plans of \$8 million, and tax withholding payments on behalf of employees for stock based awards that vested of \$22 million.

Long Term Borrowings The senior secured credit facility consists of term loan facilities in an aggregate principal amount of \$2.055 billion, of which \$1.94 billion was outstanding as of March 31, 2022. Additionally, the senior secured credit facility provides for a five-year revolving credit facility with an aggregate principal amount of \$1.3 billion, of which \$415 million was outstanding as of March 31, 2022. The Revolving Credit Facility also contains a sub-facility to be used for letters of credit, and as of March 31, 2022, there were \$24 million letters of credit outstanding.

As of March 31, 2022, we had outstanding \$1.2 billion in aggregate principal balance of 5.125% senior unsecured notes due in 2029, \$500 million in aggregate principal balance of 5.750% senior unsecured notes due in 2027, \$650 million aggregate principal balance of 5.000% senior unsecured notes due in 2028, \$500 million in aggregate principal balance of 6.125% senior unsecured notes due in 2029, and \$450 million in aggregate principal balance of 5.250% senior unsecured notes due in 2030.

See Note 5, "Debt Obligations", of the Notes to Condensed Consolidated Financial Statements included in Item 1 of this Report for further information on the senior secured credit facility.

Employee Benefit Plans In 2022, we expect to make contributions of \$17 million to our international pension plans, \$30 million to our postemployment plan and \$1 million to our postretirement plan. For additional information, refer to Note 9, "Employee Benefit Plans" of the Notes to Condensed Consolidated Financial Statements.

Series A Convertible Preferred Stock As of March 31, 2022, the redemption value of the Series A Preferred Stock was approximately \$276 million. Holders of Series A Convertible Preferred Stock are entitled to a cumulative dividend at the rate of 5.5% per annum, payable quarterly in arrears. Beginning in the first quarter of 2020, dividends are payable in cash or in-kind at the option of the Company. During the three months ended March 31, 2022 and 2021, the Company paid cash dividends of \$4 million.

The Series A Convertible Preferred Stock is convertible at the option of the holders at any time into shares of common stock at a conversion price of \$30.00 per share, or a conversion rate of 33.333 shares of common stock per share of Series A Convertible Preferred Stock. As of March 31, 2022 and December 31, 2021, the maximum number of common shares that

could be required to be issued upon conversion of the outstanding shares of the Series A Convertible Preferred Stock was 9.2 million shares.

Cash and Cash Equivalents Held by Foreign Subsidiaries Cash and cash equivalents held by the Company's foreign subsidiaries at March 31, 2022 and December 31, 2021 were \$336 million and \$412 million, respectively. Under current tax laws and regulations, if cash and cash equivalents and short-term investments held outside the U.S. are distributed to the U.S. in the form of dividends or otherwise, we may be subject to additional U.S. income taxes and foreign withholding taxes, which could be significant.

Summary As of March 31, 2022, our cash and cash equivalents totaled \$412 million and our total debt was \$5.66 billion, excluding deferred fees. As of March 31, 2022, our borrowing capacity under the revolving credit facility was approximately \$861 million. Our ability to generate positive cash flows from operations is dependent on general economic conditions, the competitive environment in our industry, and is subject to the business and other risk factors described in Item 1A of Part I of the Company's 2021 Annual Report on Form 10-K and Item 1A of Part II of this Quarterly Report on Form 10-Q (as applicable). If we are unable to generate sufficient cash flows from operations, or otherwise comply with the terms of our credit facilities, we may be required to seek additional financing alternatives.

We believe that we have sufficient liquidity based on our current cash position, cash flows from operations and existing financing to meet our expected pension, postemployment, and postretirement plan contributions, remediation payments related to environmental matters, debt servicing obligations, payments related to transformation initiatives, and in the long-term (i.e., beyond March 31, 2023) to meet our material cash requirements.

Material Cash Requirements from Contractual and Other Obligations

There have been no significant changes in our contractual and other commercial obligations as described in our Form 10-K for the year ended December 31, 2021.

Critical Accounting Policies and Estimates

Critical accounting policies are those that are most important to the portrayal of our financial position and results of operations. These policies require highly subjective or complex judgments, often employing the use of estimates about the effect of matters that are inherently uncertain. Our most critical accounting estimates pertain to revenue recognition, inventory valuation, goodwill and intangible assets, pension, postretirement and postemployment benefits, environmental and legal contingencies, and income taxes, which are described in Item 7. of our 2021 Form 10-K.

New Accounting Pronouncements

See discussion in Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" of the Notes to Condensed Consolidated Financial Statements for new accounting pronouncements.

Forward-Looking Statements

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements use words such as "expect," "anticipate," "outlook," "intend," "plan," "confident," "believe," "will," "should," "would," "potential," "positioning," "proposed," "objective," "could," "may," and words of similar meaning, as well as other words or expressions referencing future events, conditions or circumstances. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Act. Statements that describe or relate to NCR's plans, goals, intentions, strategies, or financial outlook, and statements that do not relate to historical or current fact, are examples of forward-looking statements. Forward-looking statements are based on our current beliefs, expectations and assumptions, which may not prove to be accurate, and involve a number of known and unknown risks and uncertainties, many of which are out of NCR's control. Forward-looking statements are not guarantees of future performance, and there are a number of important factors that could cause actual outcomes and results to differ materially from the results contemplated by such forward-looking statements, including those factors relating to:

- Strategy and Technology: transforming our business model; development and introduction of new solutions; competition in the technology industry; integration of acquisitions and management of alliance activities; our multinational operations; and our strategic review announced on February 8, 2022
- Business Operations: domestic and global economic and credit conditions; risks and uncertainties from the payments-related business and industry; disruptions in our data center hosting and public cloud facilities; retention and attraction

of key employees; defects, errors, installation difficulties or development delays; failure of third-party suppliers; the impact of the coronavirus (COVID-19) pandemic and geopolitical and macroeconomic challenges; environmental exposures from historical and ongoing manufacturing activities; and climate change

- Data Privacy & Security: impact of data protection, cybersecurity and data privacy including any related issues
- Finance and Accounting: our level of indebtedness; the terms governing our indebtedness; incurrence of additional debt or similar liabilities or obligations; access or renewal of financing sources; our cash flow sufficiency to service our indebtedness; interest rate risks; the terms governing our trade receivables facility; the impact of certain changes in control relating to acceleration of our indebtedness, our obligations under other financing arrangements, or required repurchase of our senior unsecured notes; and any lowering or withdrawal of the ratings assigned to our debt securities by rating agencies; our pension liabilities; and write down of the value of certain significant assets
- Law and Compliance: protection of our intellectual property; changes to our tax rates and additional income tax liabilities; uncertainties regarding regulations, lawsuits and other related matters; and changes to cryptocurrency regulations
- Governance: impact of the terms of our Series A Convertible Preferred (“Series A”) Stock relating to voting power, share dilution and market price of our common stock; rights, preferences and privileges of Series A stockholders compared to the rights of our common stockholders; and actions or proposals from stockholders that do not align with our business strategies or the interests of our other stockholders

Additional information concerning these and other factors can be found in the Company’s filings with the U.S. Securities and Exchange Commission, including the Company’s most recent annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. Any forward-looking statement speaks only as of the date on which it is made. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Information About NCR

NCR encourages investors to visit its web site (<http://www.ncr.com>), which is updated regularly with financial and other important information about NCR. The contents of the Company’s web site are not incorporated into this quarterly report or the Company’s other filings with the U.S. Securities and Exchange Commission.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

We are exposed to market risks primarily from changes in foreign currency exchange rates and interest rates. It is our policy to manage our foreign exchange exposure and debt structure in order to manage capital costs, control financial risks and maintain financial flexibility over the long term. In managing market risks, we employ derivatives according to documented policies and procedures, including foreign currency contracts and interest rate swaps. We do not use derivatives for trading or speculative purposes.

Foreign Exchange Risk

Since a substantial portion of our operations and revenue occur outside the United States, and in currencies other than the U.S. Dollar, our results can be significantly impacted by changes in foreign currency exchange rates. We have exposure to approximately 50 functional currencies and are exposed to foreign currency exchange risk with respect to our sales, profits and assets and liabilities denominated in currencies other than the U.S. Dollar. Although we use financial instruments to hedge certain foreign currency risks, we are not fully protected against foreign currency fluctuations and our reported results of operations could be affected by changes in foreign currency exchange rates. To manage our exposures and mitigate the impact of currency fluctuations on the operations of our foreign subsidiaries, we hedge our main transactional exposures through the use of foreign exchange forward and option contracts. This is primarily done through the hedging of foreign currency denominated inter-company inventory purchases by the marketing units and the foreign currency denominated inputs to our manufacturing units. All of these transactions are forecasted. If these contracts are designated as highly effective cash flow hedges, the gains or losses are deferred into accumulated other comprehensive income ("AOCI"). The gains or losses from derivative contracts that are designated as highly effective cash flow hedges related to inventory purchases are recorded in cost of products when the inventory is sold to an unrelated third party. Otherwise, the gains or losses from these contracts are recognized in earnings as exchange rates change. We also use derivatives not designated as hedging instruments consisting primarily of forward contracts to hedge foreign currency denominated balance sheet exposures. For these derivatives we recognize gains and losses in the same period as the remeasurement losses and gains of the related foreign currency-denominated exposures.

We utilize non-exchange traded financial instruments, such as foreign exchange forward and option contracts, that we purchase exclusively from highly rated financial institutions. We record these contracts on our balance sheet at fair market value based upon market price quotations from the financial institutions. We do not enter into non-exchange traded contracts that require the use of fair value estimation techniques, but if we did, they could have a material impact on our financial results.

For purposes of analyzing potential risk, we use sensitivity analysis to quantify potential impacts that market rate changes may have on the fair values of our hedge portfolio related to firmly committed or forecasted transactions. The sensitivity analysis represents the hypothetical changes in value of the hedge position and does not reflect the related gain or loss on the forecasted underlying transaction. A 10% appreciation in the value of the U.S. Dollar against foreign currencies from the prevailing market rates would have resulted in a corresponding decrease in the fair value of the hedge portfolio of \$23 million as of March 31, 2022. A 10% depreciation in the value of the U.S. Dollar against foreign currencies from the prevailing market rates would have resulted in a corresponding increase in the fair value of the hedge portfolio of \$23 million as of March 31, 2022. The Company expects that any increase or decrease in the fair value of the portfolio would be substantially offset by increases or decreases in the underlying exposures being hedged.

The U.S. Dollar was stronger in the first quarter of 2022 compared to the first quarter of 2021 based on comparable weighted averages for our functional currencies. This excludes the effects of our hedging activities and, therefore, does not reflect the actual impact of fluctuations in exchange rates on our operating income.

Interest Rate Risk

We are subject to interest rate risk principally in relation to variable-rate debt. Approximately 58% of our borrowings were on a fixed rate basis as of March 31, 2022. The increase in pre-tax interest expense for the three months ended March 31, 2022 from a hypothetical 100 basis point increase in variable interest rates would be approximately \$6 million, including the impact from outstanding interest rate swaps.

We utilize interest rate swap contracts and interest rate cap agreements to add stability to interest expense and to manage exposure to interest rate movements as part of our interest rate risk management strategy. Payments and receipts related to interest rate cap agreements and interest rate swap contracts are included in cash flows from operating activities in the Condensed Consolidated Statements of Cash Flows. Refer to Note 13, “Derivatives and Hedging Instruments”, for further information on our interest rate derivative contracts in effect as of March 31, 2022.

As our ATM vault cash rental expense is based on market rates of interest, it is sensitive to changes in the general level of interest rates in the respective countries in which we operate. We pay a monthly fee on the average outstanding vault cash balances in our ATMs under floating rate formulas based on a spread above various interbank offered rates. The increase in vault cash rental expense for the three months ended March 31, 2022 from a hypothetical 100 basis point increase in variable interest rates would be approximately \$11 million, excluding the impact from outstanding interest rate swap agreements.

Concentrations of Credit Risk

We are potentially subject to concentrations of credit risk on accounts receivable and financial instruments, such as hedging instruments and cash and cash equivalents. Credit risk includes the risk of nonperformance by counterparties. The maximum potential loss may exceed the amount recognized on the balance sheet. Exposure to credit risk is managed through credit approvals, credit limits, selecting major international financial institutions as counterparties to hedging transactions, and monitoring procedures. Our business often involves large transactions with customers for which we do not require collateral. If one or more of those customers were to default in its obligations under applicable contractual arrangements, we could be exposed to potentially significant losses. Moreover, a prolonged downturn in the global economy could have an adverse impact on the ability of our customers to pay their obligations on a timely basis. We believe that the reserves for potential losses are adequate. As of March 31, 2022, we did not have any significant concentration of credit risk related to financial instruments.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

NCR has established disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the Exchange Act)) to provide reasonable assurance that information required to be disclosed by NCR in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by NCR in the reports that it files or submits under the Exchange Act is accumulated and communicated to NCR’s management, including its Chief Executive and Chief Financial Officers, as appropriate to allow timely decisions regarding required disclosure. Based on their evaluation as of the end of the first quarter of 2022, conducted under their supervision and with the participation of management, the Company’s Chief Executive and Chief Financial Officers have concluded that NCR’s disclosure controls and procedures are effective to meet such objectives and that NCR’s disclosure controls and procedures adequately alert them on a timely basis to material information relating to the Company (including its consolidated subsidiaries) required to be included in NCR’s Exchange Act filings.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the three months ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. LEGAL PROCEEDINGS

The information required by this item is included in Note 10, “Commitments and Contingencies” of the Notes to Condensed Consolidated Financial Statements in this quarterly report and is incorporated herein by reference.

Item 1A. RISK FACTORS

There have been no material changes to the risk factors previously set forth under Part I, Item IA (“Risk Factors”) of the Company’s 2021 Annual Report on Form 10-K (“Form 10-K”). Additional risks and uncertainties not presently known to us or that are currently not believed to be significant to our business may also affect our actual results and could harm our business, financial conditions and results of operations. If any additional risks and uncertainties actually occur, our business, results of operations and financial condition could be materially and adversely affected.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On October 19, 2016, the Board approved a share repurchase program, with no expiration from the date of authorization, for the systematic repurchase of the Company’s common stock to offset the dilutive effects of the Company’s employee stock purchase plan, equity awards and in-kind dividends on the Company’s Series A Convertible Preferred Stock. Availability under this program accrues quarterly based on the average value of dilutive issuances during the quarter.

On March 12, 2017, the Board approved a second share repurchase program, with no expiration from the date of authorization, that provides for the repurchase of up to \$300 million of the Company’s common stock. On July 25, 2018, the Board authorized an incremental \$200 million of share repurchases under this program.

As of March 31, 2022, \$153 million was available for repurchases under the March 2017 program, and approximately \$768 million was available for repurchases under the October 2016 dilution offset program. The timing and amount of repurchases under these programs depend upon market conditions and may be made from time to time in open market purchases, privately negotiated transactions, accelerated stock repurchase programs, issuer self-tender offers or otherwise. The repurchases will be made in compliance with applicable securities laws and may be discontinued at any time.

The Company occasionally purchases vested restricted stock or exercised stock options at the current market price to cover withholding taxes. For the three months ended March 31, 2022, 0.5 million shares were purchased at an average price of \$39.03 per share.

The Company’s ability to repurchase its common stock is restricted under the Company’s senior secured credit facility and terms of the indentures for the Company’s senior unsecured notes, which prohibit certain share repurchases, including during the occurrence of an event of default, and establish limits on the amount that the Company is permitted to allocate to share repurchases and other restricted payments. The limitations are calculated using formulas based generally on 50% of the Company’s consolidated net income for the period beginning in the third quarter of 2012 through the end of the most recently ended fiscal quarter, subject to certain other adjustments and deductions, with certain prescribed minimums. These formulas are described in greater detail in the Company’s senior secured credit facility and the indentures for the Company’s senior unsecured notes, each of which is filed with the SEC.

Item 6. EXHIBITS

Form of Senior Executive Team Performance-Based Restricted Stock Unit Award Agreement (With Relative TSR Metric) under the NCR Corporation 2017 Stock Incentive Plan. *

Letter Agreement, dated October 1, 2021, between Don Layden and NCR Corporation. *

Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934.

Certification pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act of 1934.

Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

The following materials from NCR Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) our condensed consolidated statements of operations for the three months ended March 31, 2022 and 2021; (ii) our condensed consolidated statements of comprehensive income for the three months ended March 31, 2022 and 2021; (iii) our condensed consolidated balance sheets as of March 31, 2022 and December 31, 2021; (iv) our condensed consolidated statements of cash flows for the three months ended March 31, 2022 and 2021; (v) our condensed consolidated statements of changes in stockholder's equity for the three months ended March 31, 2022 and 2021; and (vi) the notes to our condensed consolidated financial statements.

Cover Page Interactive Data File, formatted in Inline XBRL and contained in Exhibit 101.

* Management contracts or compensatory plans/arrangements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NCR CORPORATION

Date: April 29, 2022

By: _____ /s/ Timothy C. Oliver
Timothy C. Oliver
Senior Executive Vice President and Chief Financial Officer

**Senior Executive Team
2022 Performance-Based Restricted Stock Unit Award Agreement
(With Relative TSR Metric)**

NCR Corporation 2017 Stock Incentive Plan

Congratulations on your award of performance-based restricted stock units of NCR Common Stock as part of NCR's 2022 executive compensation program. The Compensation and Human Resources Committee of our Board of Directors approved your award in anticipation of your future contributions to the success of NCR. The award also recognizes your past performance and upholds our commitment to rewarding our higher performers. This award is an opportunity to celebrate your achievements and to continue to expand your ownership stake in NCR.

Your performance-based restricted stock units ("Stock Units") are awarded (the "Award") by NCR Corporation ("NCR" or the "Company") under the NCR 2022 Long-Term Incentive (LTI) Program and the NCR Corporation 2017 Stock Incentive Plan as in effect on the date of this Agreement ("Plan"). See the stock page at www.netbenefits.fidelity.com for (i) the number of Stock Units granted to you, your date of grant ("Grant Date"), and other Award details, and (ii) additional important information about the Award, the Plan and NCR stock in the Prospectus dated November 2, 2020 (and the prior Plan Prospectus dated May 1, 2017 as applicable) which is also available on such stock page (a paper copy of the Prospectus is also available without charge upon request to stock.administration@ncr.com). Your Award is subject to the terms of this Senior Executive Team 2022 Performance-Based RSU Award Agreement (With Relative TSR Metric) (the "Agreement") and the Plan. Capitalized terms not defined in this Agreement have the meanings provided under the Plan.

1. **Grant of Stock Units.** Subject to potential adjustment as set forth in Section 2 and further subject to the other terms and conditions of this Agreement, the number of Stock Units determined under Section 2 (the "Earned Units") will become vested and non-forfeitable on the three year anniversary of the Grant Date (the "Vesting Date"), provided that (i) the Compensation and Human Resource Committee of the NCR Board of Directors (the "Committee") has certified that NCR has achieved the performance goals set forth on Schedule A to this Agreement (the "Performance Goals") for the performance period set forth on Schedule A to this Agreement (the "Performance Period"), and (ii) you are continuously employed by an Employer through and until the Vesting Date. The Stock Units are referred to in this Agreement as "Vested" at the time they become vested and non-forfeitable pursuant to this Section or Section 2 or Section 4 below.

2. **Performance Vesting.** The number of Stock Units awarded to you (the "Target Award Number") may be adjusted upward or downward (including to zero) depending on whether the Performance Goals are attained for the Performance Period ("NCR Performance"), as determined in accordance with this Agreement. NCR Performance will be measured in the manner determined by the Committee, and will be subject to any adjustments approved by the Committee in accordance with Schedule A to this Agreement. You may receive from 0% up to 200% of the Target Award Number based on NCR Performance. The number of Stock Units that you will receive under this Agreement, after giving effect to any adjustment, is referred to as the "Earned Units."

The Earned Units represent the right to receive a number of Stock Units equal to the number of Earned Units, subject to the vesting requirements and distribution provisions of this Agreement and the terms of the Plan. All information summarized or otherwise shown on the website of the TPA shall be subject to the determinations of the Committee, the Plan and this Agreement.

3. **Settlement of Stock Units.** Except as may be otherwise provided in Section 4 or 20, or Section 14.12 of the Plan or pursuant to an election under Section 14.11 of the Plan, Vested Stock Units will be paid to you as soon as reasonably practicable after the earliest of: (a) the Vesting Date, (b) your Termination of Employment if such Termination of Employment results in vesting pursuant to Section 4 below, including a Termination of Employment in connection with a Change in Control, or (c) the Change in Control date if vesting occurs in connection with a Change in Control without a Termination of Employment as determined under Section 4 below. In all events, the settlement date shall be no later than March 15 of the year following the year in which the earliest of such events occurs; except that, notwithstanding any other provision hereof: (i) the settlement date in the event of vesting in connection with a Change in Control as described in Section 4(i) or 4(ii) shall be no later than 30 days after the Termination Date, or the Change in Control date, as applicable, and (ii) to the extent required in order to avoid accelerated taxation and/or tax penalties under Code Section 409A, the settlement date shall be no later than 30 days after the Vesting Date or the Termination Date, as applicable. Such Vested Stock Units will be paid to you in shares of Common Stock (such that one Stock Unit equals one share of Common Stock) or, in NCR's sole discretion in an amount of cash equal to the Fair Market Value of such number of shares of Common Stock on date that immediately precedes the Vesting Date (or such earlier date upon which the Stock Units have become Vested pursuant to Section 4 of this Agreement), or a combination thereof (the date of such payment shall be referred to herein as the "Settlement Date").

4. **Accelerated Vesting and Forfeiture Events.** Your Stock Units will vest earlier than the Vesting Date, or remain outstanding and eligible to vest on the Vesting Date, or be forfeited and cancelled before vesting, in each case to the extent provided below. Except as otherwise provided in this Agreement, in the event of your Termination of Employment before the Vesting Date for any reason, all unvested Stock Units will automatically be forfeited and cancelled, and no Shares or cash will be issued or paid.

Event	Treatment of Stock Units
Death or Disability	<u>Vesting:</u> Your unvested Stock Units will become fully Vested on your Termination Date as follows: (a) if employment ends during the Performance Period, full vesting will apply based on the greater of: (i) Target performance, or (ii) actual level of achievement of the Performance Goals as of your Termination Date as determined and certified by the Committee in accordance with Sections 1 and 2 hereof and assuming for this purpose that the Performance Period ended on your Termination Date, and (b) if employment ends after the Performance Period ends, full vesting will apply based on the actual level of achievement of the Performance Goals as certified by the Committee in accordance with Sections 1 and 2 hereof.
Retirement or Involuntary Termination (other than for Cause)	<u>Vesting:</u> Your unvested Stock Units will vest pro rata effective on the Vesting Date for your Award determined under Section 1, and will be determined as follows: (a) the total number of shares that you would have received (as determined under Section 2) as if your NCR employment had not terminated prior to the Vesting Date will be multiplied by (b) a fraction, the numerator of which is your Work Period and the denominator of which is your Vesting Period.
Voluntary Resignation or Termination for Cause	Unvested Stock Units will be forfeited and cancelled, except in the case of a Voluntary Resignation satisfying the Mutually Agreed Retirement requirements.
Mutually Agreed Retirement	<u>Vesting:</u> Subject to the approval of the Committee or the Company's Chief Executive Officer in their respective sole discretion (or, in the case of the Chief Executive Officer and the Executive Chairman of the NCR Board, subject solely to the approval of the Committee in its sole discretion), if: (a) you retire from employment at age 62 or older with at least 2 years of continuous service with an Employer (excluding service with acquired entities before the acquisition), and (b) you continue to comply with this Agreement (including Section 9 hereof), then your Stock Units will continue to vest pursuant to the terms of this Agreement as if you had remained actively employed. This treatment will apply instead of any Retirement treatment that may also apply to you under this Agreement.

Definitions: For purposes of this Agreement, the following definitions apply:

“Change In Control Termination” means, where this Award is assumed, converted or replaced by a publicly traded continuing entity or publicly traded successor, your Termination of Employment by the Employer or such continuing entity or such successor within twenty-four (24) months following a Change in Control other than for “Cause” (as defined in the CIC Severance Plan if you participate therein on your Termination Date; otherwise, as defined in the Plan). Notwithstanding anything herein to the contrary, a termination due to Disability shall not be treated as a Termination for “Cause” for any purpose under this Agreement.

“CIC Severance Plan” means the NCR Change in Control Severance Plan in effect on your Termination Date.

“Disability” means, except as otherwise provided herein, your qualifying for benefits under your Employer’s long-term disability plan.

“Employer” means NCR Corporation (the Company) or any Subsidiary or Affiliate of NCR Corporation by which you are or have been employed.

“Good Reason Termination” means, where this Award is assumed, converted or replaced by a publicly traded continuing entity or a publicly traded successor, your Termination of Employment by the Employer or such continuing entity or such successor within twenty-four (24) months following a Change in Control for “Good Reason” (as defined in the CIC Severance Plan to the extent you are a Participant in the CIC Severance Plan on your Termination Date; provided that if you are not a Participant in the CIC Severance Plan on your Termination Date, the provisions set forth in this Agreement with respect to “Good Reason Termination” shall not apply to you).

“Include”, “Includes,” and “Including” mean, respectively, include without limitation, includes without limitation, and including without limitation.

“Involuntary Termination (other than for Cause)” means your Termination of Employment by the Employer for any reason other than for “Cause” (as defined in the Plan), excluding: (i) any Termination of Employment due to Disability, and (ii) any Termination of Employment by the Employer or publicly traded continuing entity or publicly traded successor during the twenty-four (24) months following a Change in Control.

“Retirement” means your Termination of Employment at age 62 or older with at least 10 years of continuous service with an Employer through your Termination Date (excluding service with acquired entities before the acquisition).

“Termination Date” means the date of your Termination of Employment for any reason.

“TPA” means the third party administrator for the Plan

“Vesting Period” means the number of days in the period starting on the Grant Date and ending on the three-year anniversary of the Grant Date.

“Work Period” means the number of days in the period starting on the Grant Date and ending on your Termination Date.

Change in Control Provisions:

Change in Control Event	Treatment of Stock Units
Change in Control occurring during the Performance Period	<p>The number of Earned Units shall be determined pursuant to Schedule A of this Agreement, determined as if the Performance Period ended on the date the Change in Control occurs.</p> <p>Unless an earlier vesting date applies under this Agreement, and subject to your continued employment through the Vesting Date, and subject to the special vesting rules immediately below, such Earned Units shall Vest on the Vesting Date provided in Section 1 (with no proration).</p>
Change in Control occurring after the end of the Performance Period	<p>Unless an earlier vesting date applies under this Agreement, the unvested Earned Units shall Vest on the Vesting Date provided in Section 1 (with no proration), subject to your continued employment through the Vesting Date (and subject to the special vesting rules immediately below).</p>

Notwithstanding and without regard to any other provision of this Agreement to the contrary (provided that, for the avoidance of doubt, the treatment set forth in Section 4 of this Agreement with respect to death, Disability, Retirement and Mutually Agreed Retirement shall continue to apply following a Change in Control):

(i) In the event of a Change In Control Termination or a Good Reason Termination, to the extent not then Vested, the Stock Units shall become Vested immediately upon such Change In Control Termination or Good Reason Termination (as applicable) in the amounts determined as set forth in the chart above with respect to performance and with no proration; and

(ii) In the event a Change in Control occurs prior to the Vesting Date and the Stock Units are not assumed, converted or replaced by a publicly traded continuing entity or publicly traded successor, the Stock Units shall become Vested immediately prior to the Change in Control in the amounts determined as set forth in the chart above with respect to performance and with no proration.

5. **Compensation.** Your Plan participation is voluntary. The value of your Award is an extraordinary item of income, is not part of your normal or expected compensation and will not be considered in calculating any severance, redundancy, end of service payments, bonus, long-service awards, pension, retirement or other benefits or similar payments. The Plan is discretionary in nature. The Award is a one-time benefit that creates no contractual or other right to further awards or other future benefits. Future grants (if any) and their terms are at the sole discretion of NCR.

6. **Nontransferability.** At all times before the Vesting Date, unvested Stock Units may not be sold, transferred, pledged, assigned or otherwise alienated, except by beneficiary designation, by will or by the laws of descent and distribution upon your death. As soon as practicable after the Vesting Date (or such other date as Stock Units become payable in accordance with Section 4), if Stock Units that Vested on such Vesting Date are to be paid in the form of Shares, NCR will instruct its transfer agent and/or its TPA to record on your account the number of such Shares underlying the number of such Stock Units, and such Shares will be freely transferable.

7. **Dividends.** Any cash dividends declared before the Vesting Date on the Shares underlying unvested Stock Units shall not be paid currently, but shall be converted into additional unvested Stock Units, and any cash dividends declared after the Vesting Date but before the Settlement Date on the Shares underlying Vested Stock Units shall not be paid currently, but shall be converted into additional Vested Stock Units and settled pursuant to Section 3 at the same time as the underlying Vested Stock Units. Any Stock Units resulting from such conversion (the "Dividend Units") will be considered Stock Units for purposes of this Agreement and will be subject to all of the terms, conditions and restrictions set forth herein that apply to the underlying Stock Units that generated the Dividend Units. As of each date that NCR would otherwise pay the declared dividend on the Shares underlying the Stock Units (the "Dividend Payment Date") in the absence of the reinvestment requirements of this Section, the number of Dividend Units will be determined by dividing the amount of dividends otherwise attributable to the Stock Units but not paid on the Dividend Payment Date by the Fair Market Value of NCR's Common Stock on the Dividend Payment Date.

8. **Withholding.** Before tax and withholding events, as a condition of your receiving Shares in respect of the Stock Units, you agree to make arrangements satisfactory to the Employer and Plan Administrator to satisfy all income tax, social insurance tax, payroll tax, fringe benefits tax and other Federal, state or local and non-U.S. tax payment or withholding requirements or other tax related items (collectively, "Tax-Related Items") determined by the Plan Administrator in its sole discretion in connection with the Award or your participation in the Plan, including paying NCR, in its sole discretion, through payroll withholding or other Plan Administrator-required method, the amount of Tax-Related Items required to be paid or withheld with respect to the Stock Units. Such payment of Tax-Related Items will be made by NCR withholding Shares issuable upon settlement of the Stock Units equal to the amount required to be withheld or paid as determined by NCR, except to the extent that: (i) the Chief Human Resources Officer permits payment for such Tax-Related Items in cash by an employee other than an executive officer of NCR ("Executive Officer") subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Act"), or (ii) you are an Executive Officer and you elect to make payment for such Tax-Related Items in cash or by instructing NCR and any brokerage firm approved by NCR to sell on your behalf the Shares underlying the Stock Units that NCR determines will satisfy such Tax-Related Items. Any withholding of Shares or sale or cash payment pursuant to this Section will occur when the requirement to withhold or pay taxes arises, or as soon as practicable afterwards if permitted by NCR. If you are an Executive Officer who instructs a brokerage firm sale permitted by this Section, you will be responsible for, and will indemnify and hold NCR and the Employer harmless with respect to, any and all losses, costs, damages or other expenses (including brokerage fees and other similar costs related directly to any such sale of Common Stock) arising in connection with, or related to, any such sale. You acknowledge that if, at the time any Shares of Common Stock are sold to satisfy requirements relating to Tax-Related Items pursuant to this Section, you are an Executive Officer as defined above, any such sale of Common Stock must be made pursuant to an exemption from the requirements under Section 16(b) of the Act.

You agree that the ultimate liability for all Tax-Related Items remains your responsibility and may exceed the amount withheld. Depending on the withholding method, NCR may withhold or account for Tax-Related Items by considering such statutory withholding rates as may be determined applicable in the discretion of the Plan Administrator that will not result in an adverse accounting consequence or cost.

9. **Non-Competition, Non-Solicitation and Non-Recruit/Hire.**

(a) Pursuant to your employment with NCR, you have or will have access to, and knowledge of, certain NCR Confidential Information (as defined in Section 14 below). You acknowledge that any unauthorized use (including use for your own benefit or to the benefit of others), transfer, or disclosure by you of NCR Confidential Information can place NCR at a competitive disadvantage and cause damage, financial and otherwise, to its business. You further acknowledge that, because of the knowledge of and access to NCR Confidential Information that you have acquired or will have acquired during your employment, you will be in a position to compete unfairly with NCR following the termination of your employment.

(b) **Post-Employment Restrictive Covenants.** Therefore, for the purpose of protecting NCR's business interests, including NCR Confidential Information, goodwill and stable trained workforce of NCR, and in exchange for the benefits and consideration provided to you under this Agreement (including the potential future vesting of Stock Units), you agree that, for a 12-month period after the termination of your NCR employment (or the maximum period allowed by applicable law if less than 12 months) (the "**Restricted Period**"), regardless of the reason for termination, you will not, without the prior written consent of the Chief Executive Officer of NCR Corporation:

- (1). **Non-Recruit/Hire** - Directly or indirectly (including assisting third parties) recruit, hire or solicit, or attempt to recruit, hire or solicit any employee of NCR, induce or attempt to induce any employee of NCR to

terminate his or her employment with NCR, or refer any such employee to anyone outside of NCR for the purpose of that employee seeking, obtaining, or entering into an employment relationship or agreement to provide services;

(2). **Non-Solicitation** - Directly or indirectly (including assisting others), solicit or attempt to solicit the business of any NCR customers or prospective customers with which you had Material Contact (as defined in Section 9(c)(i) below) during the last 2 years of your NCR employment for purposes of providing products or services that are competitive with those provided by NCR;

(3). **Non-Competition** - Perform services, directly or indirectly, in any capacity (including as an employee, consultant, contractor, owner or member of a board of directors): (i) of the type conducted, authorized, offered, or provided by you on behalf of NCR during the 2 years prior to termination of your NCR employment; (ii) in connection with NCR Competing Products/Services (as defined in Section 9(c)(ii)) that are similar to or serve substantially the same functions as those with respect to which you worked during the 2 years prior to termination of your NCR employment or about which you obtained trade secret or other NCR Confidential Information; (iii) within the geographic territories (including countries and regions, if applicable, or types, classes or tiers of customers if no geographic territory was assigned to you) where or for which you performed, were assigned, or had responsibilities for such services during the 2 years preceding your termination; and (iv) on behalf of a Competing Organization (as defined in Section 9(c)(iii)).

(c) For purposes of Section 9 of this Agreement, the following definitions shall apply:

(i) **“Material Contact”** means the contact between you and each customer or prospective customer (a) with which you dealt on behalf of NCR, (b) whose dealings with NCR were coordinated or supervised by you, (c) about whom you obtained confidential information in the ordinary course of business as a result of your association with NCR, or (d) who receives products or services authorized by NCR, the sale or provision of which results, resulted or, with regard to prospective customers, would have resulted in compensation, commissions, or earnings for you within the 2 years prior to the date of your termination;

(ii) **“Competing Products/Services”** are any products, services, solutions, platforms, or activities that compete, directly or indirectly, in whole or in part, with one or more of the products, services or activities produced, provided or engaged in by NCR (including products, services or activities in the planning or development stage during your NCR employment) at the time of your separation from NCR and during the 2 years prior to termination of your NCR employment;

(iii) A **“Competing Organization”** is any person, business or organization that sells, researches, develops, manufactures, markets, consults with respect to, distributes and/or provides referrals with regard to one or more Competing Products/Services and includes all entities on the Competing Organization List;

(iv) The **“Competing Organization List,”** which NCR updates from time to time, provides examples of companies that, as of the date of the List’s publication, meet the definition of Competing Organization under Section 9(c)(iii) above. However, the Competing Organization List is not comprehensive and, in the event of a conflict between Section 9(c)(iii) and the Competing Organization List, Section 9(c)(iii) controls. The most recent version of the Competing Organization List in effect at the time of the termination of your NCR employment, which is available on the NCR HR intranet, or from the NCR Law Department or HR upon request, is the version to consult for relevant examples of Competing Organizations for purposes of this Agreement. As of the Grant Date, the companies listed in this Section (and the subsidiaries and affiliates of each) constitute NCR’s Competing Organization List for 2022 (with designations such as “Inc.” and “Corp.” omitted from company names). This list will remain in effect until an updated list is approved/posted. You understand that the non-competition provisions in this Agreement are not limited to those on the list below, that other companies may qualify as competitors under this Agreement, and that you may be restricted from accepting employment or other work from such other companies, subject to the terms of this Agreement.

ACI Worldwide	GK Software	PAR Technology
Acuative	Global Payments	Q2
Agilysys	HP, Inc.	Qu
Alkami Technology	Infor	Revel Systems
Altametrics	Hyosung TNS	SAP
Aptos	Instacart	SpotOn Transact
Auriga	Jack Henry & Assoc.	Square
Diebold Nixdorf	Korala Associates Ltd.	Temenos AG (includes Kony)
Dimension Data/NTT	Lavu Inc.	Tillster
Euronet Worldwide	Lightspeed Commerce (Includes Upserve, Breadcrumb, Shopkeep)	Toast
FIS (Includes Zenmonics)	LOC Software	Toshiba TEC (includes Toshiba Global Commerce Solutions)
Fiserv (Includes First Data and Clover)	NSC Global	Unisys
Floodid	The ODP Corporation (Compucom)	Westcon-Comstor
Fujitsu	OLO	
Gilbarco Veeder-Root	Oracle	

(v) All references to “NCR” in this Section 9 refer to NCR and any other Employer, including any company the stock or substantially all the assets of which NCR or any other Employer has acquired during the period applicable to the 2-year look back for the restrictive covenants referred to herein.

(d) **Consideration.** You acknowledge that (i) you would not have received the benefits and consideration provided under this Agreement, including the potential future vesting of equity awards, but for your consent to abide by the Post-Employment Restricted Covenants contained in Section 9(b); (ii) you must abide Section 9(b) regardless of whether any stock units or other equity has vested or been distributed as of the time of any violation of its terms; and (iii) your agreement to Section 9(b) is a material component of the consideration for this Agreement.

(e) **Remedies.** You agree that, if you breach any of the provisions of this Agreement: (i) NCR shall be entitled to all of its remedies at law or in equity, including money damages and injunctive relief; (ii) in the event of such breach, in addition to NCR’s other remedies, any unvested Stock Units will be immediately forfeited and deemed canceled, and you agree to pay immediately to NCR the Fair Market Value of any Stock Units that vested during the 18 months prior to the date of your termination of employment (or if applicable law mandates a maximum time that is shorter than 18 months, then for a period of time equal to the shorter maximum period), without regard to whether you continue to own the Shares associated with such Stock Units; and (iii) NCR shall also be entitled to an accounting and repayment from you of all profits, compensation, commissions, remuneration or benefits that you (and/or the applicable Competing Organization) directly or indirectly have realized or may realize as a result of or in connection with any breach of these covenants, and such remedy shall be in addition to and not in limitation of any injunctive relief or other rights or remedies to which NCR may be entitled at law or in equity.

(f) **Subsequent Employment.** You agree that, while employed by NCR and for 1 year thereafter, you will communicate the contents of this Section 9 of this Agreement to any person, firm, association, partnership, corporation or other entity which you intend to become employed by, contract for, associated with or represent, prior to accepting and engaging in such employment, contract, association and/or representation.

(g) **Tolling.** [FOR US EMPLOYEES ONLY:] You agree that the Restricted Period will be tolled and suspended during the pendency of any legal proceedings to enforce any of the covenants set forth in this Section 9 and that no time that is part of or subject to such tolling and suspension will be counted toward the 12-month duration of the Restricted Period.

(h) **Reasonable and Necessary.** You agree that the Post-Employment Restrictive Covenants set forth in Section 9(b) are reasonable and necessary for the protection of NCR’s legitimate business interests, that they do not impose a greater restraint than is necessary to protect the goodwill or other business interests of NCR, that they contain reasonable limitations as to time and scope of activity to be restrained, that they do not unduly restrict your ability to earn a living, and that they are not unduly burdensome to you.

(i) **Severability.** Each clause of this Agreement and Section constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of NCR’s interests. If any part or clause of this Section 9 is held unenforceable, it shall be severed and shall not affect any other part of Section 9 and this Agreement.

(j) **Amendment for California Employees Only.** Section 9(b)’s Non-Competition, Non-Solicitation, and Non-Recruit/Hire restrictions do not apply to you if, following the termination of your NCR employment, you continue to

reside or work in California or any other jurisdiction that prohibits the application thereof. Notwithstanding the foregoing, you are and shall continue to be prohibited from any unauthorized use, transfer, or disclosure of NCR Confidential Information, including trade secrets, pursuant to the California Trade Secrets Act, the U.S. Defend Trade Secrets Act of 2016, your confidentiality and non-disclosure agreements with NCR, and any other applicable federal, state and common law protections afforded proprietary business and trade secret information.

(k) **Non-U.S. Country-Specific Amendments.** The restrictions contained in Section 9(b)(2) and/or (3) do not apply to you if, following the termination of your NCR employment, you continue to reside or work in a country that mandates, as a non-waivable condition, continued pay during the Restricted Period, unless NCR advises you it will tender such pay, which shall be in the minimum amount required by local law. Section 9(b)(2) and/or (3) do not apply to you if you are terminated without cause (as this term or concept is defined by applicable law) and you reside in a country that requires termination for cause in order to enforce post-employment non-competition and/or non-solicitation restrictions. [FOR EMPLOYEES IN ARGENTINA, BELGIUM, CHINA, CZECH REPUBLIC, ISRAEL, SERBIA ONLY:] The restrictions set forth in Section 9(b)(2) and/or (3), as the case may be, shall have the additional consideration of a monthly payment from NCR during the term of the Agreement in such amount as is minimally required by law ("**Non-Competition Compensation**"); however, NCR may at any time, and at its sole discretion, waive the obligations and duties set forth in Section 9(b)(2) and/or (3), which shall release NCR from the obligation of making Non-Competition Compensation payments. Subject to the foregoing and local law, Non-Competition Compensation, if calculated based on monthly salary, will exclude any bonus, commissions, ex gratia payments, payments under any share option or incentive plan, benefits, "thirteenth-month" salary, or any payment in respect of any vacation entitlement accrued or that would have accrued during the period of the Agreement, and the payment of Non-Competition Compensation shall be made in monthly installments starting 1-month after the start of the Restricted Period (or, if applicable law mandates a maximum time that is shorter than 1 month, then for a period of time equal to that shorter maximum period) ("**Payment Period**"). If NCR does not commence the Non-Competition Compensation payments within the Payment Period, this shall affect a mutual release of Section 9(b)(2) and (3) obligations and no separate waiver need be provided by NCR. In such circumstances, you will not be subject to any ongoing non-competition or non-solicitation obligations, nor will NCR have any obligation to pay the Non-Competition Compensation; however, this release does not extend to the obligations under Section 9(b)(1), which will continue to apply. [FOR EMPLOYEES IN DENMARK, FRANCE, GERMANY ONLY:] Section 9(b)(2) and (3) of this Section do not apply to you if, following the termination of your NCR employment, you continue to reside or work in Denmark, France, or Germany; however, Section 9(b)(1) shall continue to apply. [FOR EMPLOYEES IN UAE ONLY:] In the event that you breach the Section 9(b)(3) Non-Competition restrictive covenant, you acknowledge that NCR will suffer irreparable damage, and you promise to pay NCR on demand damages in a sum equal to the amount of 6 months of your salary that was in effect when your NCR employment ended. You acknowledge that this sum represents a reasonable estimate of damages that NCR will suffer, and that, where local law allows, NCR may seek additional compensatory damages.

10. Arbitration, and Class, Collective, and Representative Action Waiver. [FOR U.S. EMPLOYEES ONLY:] You and NCR (collectively, the "Parties") agree that any controversy or claim arising out of or related to this Agreement and/or with respect to your employment with NCR and any other Employer shall be resolved by binding arbitration; the obligation to arbitrate shall also extend to and encompass any claims that you may have or assert against any NCR employees, officers, directors or agents. Notwithstanding the foregoing, the following disputes and claims are not covered by this Arbitration provision and shall therefore be resolved in any appropriate forum as required by the laws then in effect: claims for workers' compensation benefits, unemployment insurance, or state or federal disability insurance; claims for temporary or preliminary injunctive relief (including a temporary restraining order) in aid of arbitration or to maintain the status quo pending arbitration; and any other dispute or claim that has been expressly excluded from arbitration by statute. The Parties further agree that in the event of a breach of this Agreement, NCR or you may, in addition to any other available remedies, bring an action in a Court of competent jurisdiction for equitable relief pending appointment of an arbitrator and completion of an arbitration; and, in such instance, shall not be required to post a bond. If any portion of this Arbitration provision is held unenforceable, it shall be severed and shall not affect the duty to arbitrate nor any other part of this Section. In addition:

(a) The Parties agree that any demand for arbitration shall be filed within the statute of limitations applicable to the claim or claims upon which arbitration is sought or required, or the claim shall be barred. Arbitration shall be conducted in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association (available at www.ADR.org) to the extent not inconsistent with the terms of this Agreement. The arbitrator shall allow discovery in the form of: (1) the mutual exchange of documents (as defined under the Federal Rules of Civil Procedure) pertaining to the claim being arbitrated and for which there is a direct and demonstrable need; and (2) up to three depositions by each party. However, notwithstanding these general limitations, upon good cause shown, in a personal or telephonic hearing, the arbitrator may allow additional, non-burdensome discovery. The arbitrator shall balance the likely importance of the requested materials with the cost and burden of the discovery sought, and when disproportionate, the arbitrator may deny the request(s) or require that the requesting party advance the reasonable cost of production to the other side. Issues of arbitrability shall be determined in accordance with the U.S. federal substantive and procedural laws relating to arbitration; in all other respects, this Agreement shall be governed by the laws of the State of Georgia in the United States, without regard to its conflict-of-laws principles, and the arbitration shall be held in the metropolitan Atlanta, Georgia area, with the exception of employees who primarily reside and work in California or Washington, for whom arbitration shall be held in California and Washington respectively, and with respect to controversies arising in California, to which California law shall apply. The arbitration shall be held before a single arbitrator who is an attorney having at least five years of experience in employment law. The arbitrator's decision and award shall be written, final and binding and may be entered in any court having jurisdiction. The Parties agree that nothing in this Agreement relieves them from any obligation they may have to

exhaust certain administrative remedies before arbitrating any claims or disputes under this Agreement. NCR shall be responsible for the cost of any filing fees to initiate arbitration and any other expenses of arbitration required by applicable law to be borne by the employer in an employment dispute. Each party shall bear its own attorney fees associated with the arbitration; other costs, and expenses of the arbitration, shall be borne as provided by the rules of the American Arbitration Association.

(b) **Class, Collective and/or Representative Action Waiver.** To the maximum extent permitted by law: (1) all covered claims under this Agreement must be brought in your individual capacity, and not as a plaintiff or class member in any purported class, collective or representative proceeding; (2) no claims may be brought or maintained on a class, collective or representative basis either in Court or in arbitration, notwithstanding the rules of the arbitral body; (3) such claims will be decided on an individual basis in arbitration pursuant to this Agreement; and (4) the Parties expressly waive any right with respect to any covered claims to submit, initiate, or participate as a plaintiff, claimant or member in a class action or collective action, regardless of whether the action is filed in arbitration or in court. Claims may not be joined or consolidated in arbitration with disputes brought by or against other individual(s), unless agreed to in writing by the Parties (you, NCR, and the other individual(s)). Any issue concerning the validity of this class, collective or representative action waiver, and whether an action may proceed as a class, collective or representative action, must be decided by a Court, and an arbitrator shall not have authority to consider the issue of the validity of this waiver or whether the action may proceed as a class, collective or representative action. If, for any reason, this class, collective and/or representative action waiver is determined to be unenforceable, then the class, collective or representative claim may proceed only in a Court of competent jurisdiction in Atlanta, Georgia and may not be arbitrated. No arbitration award or decision will have any preclusive or estoppel effect as to issues or claims in any future dispute.

(c) **Waiver of Jury Trial.** By signing this Agreement and consenting to Arbitration, both I and NCR are knowingly and voluntarily waiving any right to a jury trial.

11. Compensation Recovery Policy. By accepting the Stock Units, you agree that, to the extent the Stock Units constitute “Covered Incentive Compensation” under NCR’s Compensation Recovery Policy as amended from time to time (the “Recovery Policy”), then notwithstanding any provision of this Agreement, you may forfeit the Stock Units or be required to repay the Shares or Stock Units or the proceeds received from disposing of Shares or Stock Units under the Recovery Policy. You agree that NCR may, to the extent permitted or required by law or regulation (including the Dodd-Frank Act), enforce any repayment obligation under the Recovery Policy by reducing any amounts that may be owing from time to time by NCR to you, whether in the form of wages, severance, vacation pay or any other benefit or for any other reason, or enforce any other recoupment permitted by applicable law or regulation.

12. Beneficiaries. Beneficiaries may be designated (and designations may be changed or revoked), in the manner required by the Plan Administrator, to receive all or part of Stock Units in case of your death. In the event of your death, any portion of the Stock Units subject to such a designation that has not been superseded, modified or revoked in accordance with such procedures will be distributed to such beneficiary or beneficiaries in accordance with this Agreement. Any other portion of the Stock Units not designated by you will be distributable to your estate. If there is any question as to the legal right of any beneficiary to receive a distribution hereunder (as determined by NCR in its sole discretion), the Shares underlying the Stock Units in question may be purchased by and distributed to your estate, in which event NCR shall have no further liability to anyone with respect to such Shares. For information about TPA beneficiary procedures, or to revoke or change a beneficiary designation, call Fidelity at 1-800-544-9354 (U.S. grantees) or 1-800-544-0275 (non-U.S. grantees). Non-U.S. employees may access the toll-free number at: <https://www.fidelity.com/customer-service/phone-numbers/overview>.

13. Data Privacy. By entering into this Agreement, you understand and acknowledge that your personal data may be processed, in electronic or other form as described in the NCR Employee Privacy Notice applicable to your jurisdiction.

14. Non-Disclosure of Confidential Information. You acknowledge and agree that your employment with NCR or another Employer created a relationship of trust and confidence between you and the Employer with respect to, and that your position and its job duties exposed and/or will expose you to a broad variety of, NCR Confidential Information. As used in this Agreement, “NCR Confidential Information” means any information: of or held by NCR or any of its subsidiaries or affiliates that is not generally known or readily ascertainable by the public; or provided to NCR or any of its subsidiaries or affiliates by any person or entity subject to confidentiality obligations. NCR Confidential Information includes financial records, projections and forecasts, creations, discoveries, inventions, innovations, research, development, software, technology, works of authorship and the subject matter of intellectual property rights, company strategies, reports, plans, prospects and opportunities, employee information, market and sales information and plans (such as pricing, proposals and product introductions), and information about current and prospective customers (including their preferences and needs) and trade secrets. This Agreement, including its terms and conditions, shall be considered NCR Confidential Information. You agree, and represent and warrant, that you will not disclose or use and have not disclosed or used, in whole or in part, any NCR Confidential Information other than to the extent necessary in the ordinary course of performing your duties at and for your Employer and in accordance with NCR’s and the Employer’s policies, without the prior written consent of NCR, which may be granted or withheld in NCR’s sole discretion, for any reason or no reason.

Notwithstanding anything to the contrary in this Agreement:

(a) In response to a valid subpoena, valid court, governmental or administrative order, or valid and mandatory discovery request (“Disclosure Request”), you may disclose, to the extent required thereby, requested NCR Confidential Information, or truthful testimony or information about NCR or your Employer (if different), provided, to the extent permitted by law, you provide NCR as much advance notice as practicable so as to enable NCR to seek to limit, condition, or quash such disclosure, as appropriate, including to obtain a protective order. Should you receive a Disclosure Request, you may reach out to NCR’s General Counsel or its law department for assistance, but you are not required to do so.

(b) [US EMPLOYEES ONLY:] An individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (i) is made (1) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (2) solely for the purpose of reporting or investigating a suspected violation of the law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(c) You are not prohibited from reporting possible violations of the law to, or filing a charge or complaint with any federal, state or local governmental agency or commission (“Government Agencies”), including the Equal Employment Opportunity Commission, the Securities and Exchange Commission, the Department of Justice, or from making disclosures to Government Agencies that are protected by law (such as providing testimony and information during a government investigation), and you are not required to notify NCR that you have made any such reports or disclosures.

(d) [US EMPLOYEES ONLY:] This Agreement does not prohibit, nor shall it be interpreted as restraining or interfering with, employee rights under Section 7 of the National Labor Relations Act.

(e) (i) you may disclose this Agreement or any of its terms and conditions to your spouse, domestic partner, tax advisor, or attorney; and (ii) you may disclose the non-disclosure, non-competition, non-solicitation, and non-recruit/hire covenants herein to a prospective employer provided that you agree that you will, as applicable, require any persons or entities to whom disclosure is made as permitted in (i) or (ii) to keep such information confidential and not disclose it to others.

15. No Advice Regarding Grant. NCR is not (a) providing any tax, legal or financial advice, or (b) making any recommendations about your Plan participation, or any transaction relating to your Stock Units or the underlying Shares. You should consult with your own personal tax, legal and financial advisors before taking any Plan-related action.

16. Electronic Documents and TPA Information. This Agreement, including Section 9, is executed electronically, and is immediately binding upon your electronic acceptance. If you reside in a country that requires original ink signatures on paper, you waive this requirement to the extent permitted by law. You agree to receive all Award related documents electronically, and to participate in the Plan online through the TPA electronic system. Summaries and other information shown on the TPA website, which may be updated from time to time, shall be subject to the determinations of the Committee and the Plan Administrator, the Plan and this Agreement. The determinations of the Committee and the Plan Administrator, the Plan and this Agreement will govern in the event of any conflict with such TPA website summaries and other information.

17. Severability, Waiver and Conflicting Terms. The provisions of this Agreement are severable. If a court or other tribunal of competent jurisdiction holds any provision unenforceable or invalid, such provision will be severed and will not affect any other part hereof, which will be enforced as permitted by law; except that to the extent such invalid provision can be rendered valid by modification, you agree that the court or tribunal shall so modify such provision to render it valid and enforceable to the fullest extent permitted by law. You acknowledge that a waiver by NCR of breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or any subsequent breach of this Agreement. If this Agreement conflicts with the Plan in any respect, the Plan terms will prevail, except that Section 10 of this Agreement will prevail with respect to the law governing this Agreement and all claims relating to this Agreement.

18. Amendment. The NCR Board of Directors or the Committee or any delegate may amend your Award terms in this Agreement, except that no such amendment will be made that would materially impair your rights hereunder without your consent, except such an amendment made to comply with applicable law, including Code Section 409A, stock exchange rules or accounting rules.

19. Rules for Participants in Non-U.S. Jurisdictions. Notwithstanding anything herein or in the Plan to the contrary, if you are or become subject to the laws of a non-U.S. jurisdiction, your Award will be subject to (i) the special rules in Appendix A to this Agreement for your country and the laws and requirements of such non-U.S. jurisdiction to the extent so determined in the sole discretion of the Plan Administrator for legal or administrative reasons, and (ii) this Agreement’s terms and conditions are deemed modified to the extent determined in the sole discretion of the Plan Administrator for legal or administrative reasons. Subject to Section 18, the Committee or the Plan Administrator may amend this Agreement before or after an Award is made and take any other action deemed appropriate in its sole discretion to obtain approval or comply with any necessary local governmental regulatory requirements or exemptions.

20. Code of Conduct Certification; Compliance with Insider Trading Laws and NCR Insider Trading Policy; Code Section 409A Compliance. Notwithstanding anything herein to the contrary, this Award of Stock Units and your right to receive payment of any Vested Stock Units are expressly conditioned upon your timely annual certification to the NCR Code

of Conduct. If you do not timely provide any certification required by the Employer before vesting of any portion of the Stock Units, that portion of the Stock Units will be forfeited, except that no such forfeiture will occur unless you are provided written notice (which notice may be provided by email) of the impending forfeiture, and you do not provide your certification to NCR's Code of Conduct within thirty days following such notice.

With respect to any Shares distributed under this agreement, you understand and agree that you are responsible for reviewing, understanding and complying with Insider Trading laws and NCR's Insider Trading Policy (available on the internet or by request from the NCR Law Department), and that you may not trade in NCR securities except in compliance with the NCR Insider Trading Policy (as may be amended from time to time), which is incorporated herein by reference. You should consult an attorney if you have questions concerning such matters.

The parties intend that payments under this Agreement comply with Code Section 409A or are exempt therefrom, and this Agreement shall be interpreted, administered and governed in accordance with such intent. Notwithstanding anything contained herein to the contrary, you shall not be considered to have terminated employment with the Employer for purposes of any payments under this Agreement which are subject to Code Section 409A until you would be considered to have incurred a "separation from service" from the Employer within the meaning of Code Section 409A. Each amount to be paid under this Agreement shall be construed as a separate identified payment for purposes of Code Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Code Section 409A: (A) amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement or any other arrangement between you and the Employer during the six (6) month period immediately following your separation from service shall instead be paid on the first business day after the date that is six (6) months following your separation from service (or, if earlier, your death), (B) for purposes of this Agreement, "Disability" shall have the meaning set forth in Treas. Reg. 1.409A-3(i)(4)(i), and (C) a Change in Control shall be deemed to have occurred only if a change in the ownership or effective control of NCR or a change in ownership of a substantial portion of the assets of NCR shall also be deemed to have occurred under Code Section 409A. Notwithstanding anything contained herein to the contrary, no payment shall be made pursuant to this Agreement prior to the earliest time that will not result in accelerated taxation and/or tax penalties under Code Section 409A. In addition, the Committee shall have the sole authority to make any accelerated payments permissible under Treas. Reg. Section 1.409A-3(j)(4) to you with respect to any deferred amounts, provided that such payments meet the requirements of Treas. Reg. Section 1.409A-3(j)(4). NCR makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to any such payment.

21. No Employment Modification. The Plan and this Agreement do not constitute a contract of employment or impose on you or any Employer any obligation to retain you as an employee, to change the status of your employment, or to change the Employer's policies regarding termination of employment. For U.S. employees, employment with the Employer is at will, which means that you or the Employer may terminate the employment relationship at any time, with or without cause, unless otherwise provided in a valid, formal written employment agreement signed by you and an officer of the Employer.

22. Execution and Validity of Agreement. This Agreement shall be binding and effective upon NCR on the Grant Date. However, you will forfeit your Award and this Agreement shall have no force and effect if you do not duly execute it electronically on the TPA website at www.netbenefits.fidelity.com, in the form required by the Plan Administrator, within ninety (90) days after the Grant Date (or by other date required by the Plan Administrator).

23. Notices. All notices required hereunder shall be in writing and shall be deemed given upon the following business day if delivered personally (provided receipt of which is confirmed) or by courier service promising overnight delivery (with delivery confirmation) or five (5) business days after deposit in the U.S. Mail, certified with return receipt requested. All notices shall be addressed as follows: (a) If to NCR: **NCR Corporation** 864 Spring Street NW Atlanta GA 30308 Attn: General Counsel, with a copy via electronic mail to: law.notices@ncr.com, (b) if to you: your last known address shown in the personnel records of NCR, or (c) to such other address as either party will have furnished to the other in writing.

SCHEDULE A

**Senior Executive Team
2022 Performance-Based Restricted Stock Unit Award Agreement
(With Relative TSR Metric)**

PERFORMANCE GOALS AND PERFORMANCE PERIOD

Performance Goals; Performance Period. The following performance goals (the “Performance Goals”) shall apply for the period from February 25, 2022 through December 31, 2024 (the “Performance Period”):

The number of Stock Units that become Earned Units pursuant to this Agreement will be calculated by the Committee based on the Company’s “Relative Total Shareholder Return” (as defined below). Specifically, the Committee shall calculate the number of such Earned Units by multiplying the Target Award Number of Stock Units by the applicable Payout Percentage set forth in the table below based on the Percentile Rank of the Company’s Total Shareholder Return results certified by the Committee for the Performance Period, subject to the Peer Group Modification Rules below and to such further adjustments and determinations as may be made in the sole discretion of the Committee.

The following table shall apply for purposes of calculating the number of Stock Units that become Earned Units pursuant to this Agreement:

Earned Units		
Performance Level	Percentile Rank	Payout Percentage
Maximum	80 th Percentile and Above	200%
Target	55 th Percentile	100%
Threshold	25 th Percentile	50%
Below Threshold	Below 25 th Percentile	0%

The maximum percentage by which the Target Award Number of Stock Units may be multiplied shall not exceed 200%, and no such Stock Units shall become Earned Units unless the Company’s Relative Total Shareholder Return performance for the Performance Period is at least equal to the Threshold performance level set forth in the above table. If the Company’s Percentile Rank falls between the designated levels of performance set forth in the above table (and provided that the Company’s Percentile Rank is at least equal to the Threshold performance level), the percentage by which the Target Award Number shall be multiplied shall be calculated by linear interpolation between such designated levels of performance.

Notwithstanding the foregoing, if the Company’s Total Shareholder Return is negative for the Performance Period, the Payout Percentage will be capped at 100%.

Certain Defined Terms. For purposes of this Agreement, the following definitions apply:

“**Comparator Group**” shall consist of the companies included in the S&P MidCap 400 Value Index as of the first day of the period beginning 45 trading days prior to the Grant Date pursuant to this Agreement, subject to the Peer Group Modification Rules specified below.

“**Relative Total Shareholder Return**” shall mean the percentile ranking of the Company’s Total Shareholder Return as measured relative to the Total Shareholder Return of each company in the Comparator Group during the Performance Period.

“**Total Shareholder Return**” for the Company, and for each company in the Comparator Group, as determined by the Committee, shall be determined by comparing the rate of growth between (i) the average stock price for the Company and each company in the Comparator Group for the forty-five (45) trading days ending on the Grant Date pursuant to this Agreement, with dividends reinvested at the closing stock price of the applicable stock on the ex-dividend date, and (ii) the average stock price for the Company and each company in the Comparator Group for the final forty-five (45) trading days of the Performance Period, with dividends reinvested at the closing stock price of the applicable stock on the ex-dividend date. The Total Shareholder Return calculation shall be adjusted in an equitable manner for any stock splits, reverse stock splits, or other similar transactions to the extent determined in the sole discretion of the Committee.

Peer Group Modification Rules. During the Performance Period, the corporate structure of a company in the Comparator Group may fundamentally change. The following provisions describe these scenarios and their impact on the Comparator Group during the Performance Period, as determined by the Committee:

- (1) **Two Comparator Group companies merge into one company.** If two Comparator Group companies merge and become one company, the newly-formed company stays in the Comparator Group.
- (2) **A Comparator Group company merges with a company outside of the peer group.** If a Comparator Group company merges with a company not currently in the Comparator Group, technically, one company is a “survivor” of the merger. If the surviving company was originally in the Comparator Group, the surviving company remains part of the Comparator Group. However, if the surviving company was originally not in the Comparator Group, the surviving company will be dropped from the Comparator Group.
- (3) **A Comparator Group company spins off another company.** If a Comparator Group company spins off another company, the newly-formed company will not be included in the Comparator Group. The original Comparator Group company will remain in the Comparator Group.
- (4) **A Comparator Group company changes from a public company to a private company.** If a Comparator Group company becomes a private company, the company is removed from the Comparator Group as of the date the company goes private.
- (5) **A Comparator Group company is added to the S&P MidCap 400 Value Index.** If a company is added to the S&P MidCap 400 Value Index, the company will not join the Comparator Group.
- (6) **A Comparator Group company becomes bankrupt or is liquidated or delisted:** In the event of a bankruptcy, liquidation or delisting of a Comparator Group company at any time during the Performance Period, such company shall remain a Comparator Group company and be assigned a Total Shareholder Return of negative 100%. Delisting shall mean that a company ceases to be publicly traded on a national securities exchange as a result of any involuntary failure to meet the listing requirements of such national securities exchange, but shall not include delisting as a result of any voluntary going private or similar transaction.
- (7) **Other Changes:** Other scenarios will be reviewed by the Committee on a case-by-case basis to determine, in the sole discretion of the Committee, the status of the Comparator Group company as it relates to the Performance Period. Any such determination shall be final and binding on all parties.

APPENDIX A

Senior Executive Team 2022 Performance-Based Restricted Stock Unit Award Agreement (With Relative TSR Metric)

PROVISIONS FOR NON-U.S. PARTICIPANTS

Article I. Provisions for All Non-U.S. Participants

The following terms and conditions set forth in this Article I of Appendix A apply to Participants residing outside the United States or otherwise subject to the laws of a non-U.S. country. In general, the terms and conditions in this Appendix A supplement the provisions of the Agreement, unless otherwise indicated herein.

1. **Nature of Grant.** In accepting the grant, you acknowledge, understand and agree that: (a) the Stock Units and the Shares of Common Stock subject to the Stock Units are not intended to replace any pension rights or compensation; (b) the Stock Units and the Shares of Common Stock subject to the Stock Units and the income and value of same, are not part of normal or expected compensation for any purpose; (c) the future value of the underlying Shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty; (d) no claim or entitlement to compensation or damages shall arise from forfeiture of the Stock Units resulting from your Termination of Employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of Stock Units to which you are otherwise not entitled, you irrevocably agree never to institute any claim against NCR, any of its Subsidiaries or Affiliates or the Employer, waive your ability, if any, to bring any such claim, and release NCR, its Subsidiaries and Affiliates, and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; (e) for purposes of the Stock Units, your employment or service relationship will be considered terminated as of the date you are no longer actively providing services to NCR or the Employer (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any) and unless otherwise expressly provided in this Agreement or determined by NCR, your right to vest in the Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (for example, your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Committee shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of your Award (including whether you may still be considered to be providing services while on a leave of absence); (f) unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits evidenced by this Agreement do not create any entitlement to have the Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company; and (g) neither NCR, the Employer nor any Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Stock Units or of any amounts due to you pursuant to the settlement of the Stock Units or the subsequent sale of any Shares of Common Stock acquired upon settlement.

2. **Language.** If you received this Agreement or any Plan related document translated into a non-English language, the English versions will control in the event of conflict. You acknowledge that it is your express wish that this Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. By accepting your Award, you confirm having read and understood the Plan and this Agreement, including all terms and conditions of each, which were provided in English. You accept the terms of those documents accordingly.

3. **Conditions for Issuance.** Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon settlement of the Stock Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. You understand that the Company is under no obligation to register or qualify the Shares with the SEC or any state or foreign securities commission or to seek approval or clearance from any governmental authority for the issuance or sale

of the Shares. The grant of Stock Units is not intended to be a public offering of securities in your country, and the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities in connection with this grant, and the grant of the Stock Units is not subject to the supervision of the local securities authorities.

4.

5.

4. Repatriation and Other Non-U.S. Compliance Requirements. As a condition of the grant of your Stock Units, you agree to repatriate all payments attributable to the Shares of NCR Common Stock and/or cash acquired under the Plan (including dividends and dividend equivalents) in accordance with local foreign exchange rules and regulations in your country of residence (and your country of employment, if different). In addition, you also agree to take any and all actions, and consent to any and all actions taken by the Company, its Subsidiaries and Affiliates, as may be required to allow the Company, its Subsidiaries and Affiliates to comply with local laws, rules and regulations in your country of residence (and your country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal legal and tax obligations under local tax, exchange control, insider trading and other laws, rules and regulations in your country of residence (and your country of employment, if different) with respect to the Stock Units and the NCR Common Stock issued with respect thereto.

5. Insider Trading Restrictions/Market Abuse Laws. You acknowledge that your country of residence may subject you to insider trading and/or market abuse laws, which may restrict your ability to acquire or sell Shares or rights to such Shares (e.g., Stock Units) under the Plan during times you are considered to have “inside information” about NCR (as defined by your country’s laws). Such restrictions apply in addition to any NCR insider trading policy restrictions. You acknowledge that it is your responsibility to comply with any applicable restrictions. You should consult with your personal advisor on these matters.

Article II. Country-Specific Provisions for Non-U.S. Participants

This Article II of Appendix A includes special terms and conditions that apply if you reside in the below countries. These terms and conditions are in addition to (or, if indicated, in place of) those set forth in the Agreement. Capitalized terms used but not defined in this Article II have Agreement definitions (or if none, the Plan definitions). This Article II also includes information relating to exchange control and other issues that you should be aware with respect to Plan participation. The information is based on the exchange control, securities and other laws in effect in the respective countries as of the Grant Date. Such laws are often complex and change frequently. As a result, NCR strongly recommends that you do not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the Stock Units are Vested or Shares acquired under the Plan are sold. In addition, the information is general in nature and may not apply to your particular situation and NCR is not in a position to assure you of any particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. Finally, if you are a citizen or resident of a country other than the one in which you are currently working, are considered a citizen or resident of another country for local law purposes, or transfer employment or residency to another country after the Grant Date, the notifications contained herein may not be applicable to you. In addition, NCR shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to you.

CHINA

Settlement of Stock Units. This provision supplements Section 3 of the Agreement. To facilitate compliance with exchange control laws and regulations in the People’s Republic of China (“China”), you agree to the sale of any Shares to be issued upon vesting and settlement of the Stock Units. The sale will occur (i) immediately upon vesting and settlement of the Stock Units, (ii) following your Termination of Employment, or (iii) within any other time frame as the Company determines to be necessary to facilitate compliance with local regulatory requirements. You further agree that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on your behalf pursuant to this authorization) and you expressly authorize the Company’s designated broker to complete the sale of such Shares. You agree to sign any agreements, forms and/or consents that may be reasonably requested by NCR (or the broker) to effectuate the sale of the Shares of Common Stock and shall otherwise cooperate with NCR with respect to such matters. You acknowledge that neither NCR nor the broker is under any obligation to arrange for the sale of the Shares of Common Stock at any particular price and that broker’s fees and similar expenses may be incurred in any such sale. In any event, when the Shares of Common Stock are sold, the proceeds of the sale of such Shares, less any Tax-Related Items and the broker’s fees, commissions or similar expenses, will be remitted to you in accordance with applicable exchange control laws and regulations.

Exchange Control Restrictions. You understand and agree that, if you are subject to exchange control laws in China, you will be required to immediately repatriate to China the proceeds from the sale of any Shares acquired under the Plan. You further understand that such repatriation of the proceeds may need to be effected through a special exchange control account established by NCR or a Subsidiary or Affiliate, and you hereby consent and agree that the proceeds from the sale of Shares acquired under the Plan may be transferred to such account by NCR (or the broker) on your behalf prior to being delivered to you. You also agree to sign any agreements, forms and/or consents that may be reasonably requested by NCR (or the broker) to effectuate such transfers.

The proceeds may be paid to you in U.S. dollars or local currency at NCR’s discretion. If the proceeds are paid to you in U.S. dollars, you understand that you will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the proceeds are paid to you in local currency, (i) you acknowledge that NCR is under no obligation to secure any particular exchange conversion rate and that NCR may face delays in converting the proceeds to local currency due to exchange control restrictions, and (ii) you agree to bear any currency fluctuation risk between the time the Shares are sold and the time the proceeds are converted to local

currency and distributed to you. Finally, you agree to comply with any other requirements that may be imposed by NCR in the future in order to facilitate compliance with exchange control requirements in China.

INDIA

Retirement. Notwithstanding anything herein to the contrary, unless otherwise determined by the Plan Administrator, "Retirement" shall mean Termination of Employment at age 62 or older (or at such lower mandatory retirement age required by applicable India law, if any) with at least 10 years of continuous service with an Employer through your Termination Date (excluding service with acquired entities before the acquisition).

ISRAEL

Trust Arrangement. You understand and agree that this Award is offered subject to and in accordance with the terms of the Plan and its Israeli specific terms in this Article II of Appendix A. Upon vesting, the Shares shall be controlled by the Company's trustee appointed by the Company or its Subsidiary or Affiliate in Israel (the "Trustee") for your benefit for at least such period of time as required by Section 102 or any shorter period determined under the Israeli Income Tax Ordinance (New Version), 5721-1961 as now in effect or as hereafter amended (the "Ordinance") (with respect to the "capital gain route") or by the Israeli Tax Authority (the "Lock-Up Period"). You shall be able to request the sale of the Shares or the release of the Shares from the Trustee, subject to the terms of the Plan, this Agreement and any applicable Israeli tax law. Without derogating from the aforementioned, if the Shares are released by the Trustee during the Lock-Up Period, the sanctions under Section 102 of the Ordinance shall apply to and be borne by you. The Shares shall not be sold or released from the control of the Trustee unless the Company, the Subsidiary or Affiliate and the Trustee are satisfied that the full amount of Tax-Related Items due have been paid or will be paid in relation thereto. Notwithstanding any provision of this Agreement or the Plan to the contrary except the provisions in Section 4 of this Agreement relating to a Good Reason Termination, Retirement or Mutually Agreed Retirement, each as defined herein (and in each case, to the extent specifically applicable to you), in the event of your resignation from service with NCR or the Employer due to any reason, including worsening of employment conditions, or any other reason relating to conditions of employment, all unvested Stock Units will automatically terminate and be forfeited and no Shares or cash will be issued or paid to you (as the case may be).



October 1, 2021

Don Layden
[***]

Dear Don:

Welcome to NCR, a global technology company that runs the everyday transactions that make your life easier.

With a global presence in 180 countries, our employees around the world offer a broad perspective and range of skills that enable our customers to make every customer interaction with their business an exceptional experience.

We are pleased to present you with this offer of employment at NCR. I am certain you will be a key contributor to this organization. On behalf of my team, we look forward to you joining us.

Employer (Legal Entity):

NCR Corp (the 'Company')

Position:

EVP, President, Payments Group and Head of Strategy & M&A.

Job Grade:

This position is a grade E5.

Reporting To:

Michael Hayford, Chief Executive Officer

Location:

Atlanta, GA

Start Date:

Your employment shall commence on Friday, October 1st, 2021

Base Salary:

Your annual base salary will be \$600,000 per year, commencing as of your Start Date. The Company operates on a bi-weekly pay schedule. Payday is scheduled five days following the close of each pay period. Your annual base salary will be reviewed from time to time by the CEO to determine appropriate increases, if any, and are subject to approval by the Compensation and Human Resources Committee (the "Committee") of the NCR Board of Directors.

Any decreases in base salary, other than as part of a base salary reduction taken by a majority of the members of the Executive Leadership team, will permit you to exercise the "good reason" clause as outlined below.

Management Incentive Plan:

Effective upon your start date you will participate in NCR's Management Incentive Plan ("MIP"), subject to the terms of the MIP. The MIP is an annual bonus program with a payout that varies

based on NCR's results, your organization's results, and your individual performance; it is payable in the first calendar quarter following the plan year.

Your MIP target incentive opportunity will be not less than 150% of your annual base salary (with a maximum potential payout equal to 2 times your target incentive opportunity), where the payout will be based on performance goals established by the CEO and approved by the Committee of the NCR Board of Directors.

Your MIP payout for the 2021 plan year will be subject to pro-ration for the partial service year and will be payable to you in or about March 2022. Please note that the MIP guidelines are subject to change from time to time, which will be determined at the discretion of the Committee. You must be employed by NCR at the time of payment in order to be eligible to receive any bonus or incentive payout from NCR.

Long Term Incentive ("LTI") Equity Awards:

Effective for 2022 and beyond, you will be eligible to participate in NCR's Annual LTI Equity Award Program that typically occurs in February each year. Your annual equity award will be in an amount to be approved by the Committee, which will be comprised of grants of the same type and in the same proportion as are awarded to other similarly situated senior executives of NCR.

Solely for purposes of any retirement-related provisions in your NCR equity award agreements, your employment with NCR will be deemed to have commenced on June 22, 2020.

You must be a current employee of NCR on the applicable grant date in order to be eligible to receive any NCR LTI equity award. Other award terms are set forth in the plan governing these awards, and you must electronically accept the award agreement each time one is made in order to be eligible to receive its benefits.

Executive Severance and Change-in-Control Benefits:

You will participate in and be subject to the terms of NCR's Executive Severance Plan and its Change-in-Control Severance Plan. You are accorded under the Change-In-Control plan a "Tier I" benefit level upon joining NCR. For purposes of the Executive Severance Plan, "Cash Severance" shall equal the sum of 1.5 times your base salary plus your target bonus, as set forth therein. To receive any severance benefits you are required to execute NCR's standard form of general release of all claims in a form reasonably acceptable to NCR, as set out in the plans. Each plan is subject to amendment or termination by the Committee.

Employee Benefits:

You will be eligible for employee benefits on the terms generally provided by NCR to its senior executives from time to time, including NCR's annual Executive Medical Exam Program, which currently provides up to \$5,000 on an annual basis for progressive, diagnostic analysis by NCR's provider of choice, and the annual Executive Financial Planning Program, which currently provides an annual taxable reimbursement in an amount up to \$12,000 for actual services incurred with respect to your tax and financial planning needs. Each of these programs is subject to amendment or termination by the Committee.

One-Time Sign-On Bonus

You will be eligible to receive a one-time sign-on bonus of \$60,000 for relocation expenses payable no later than 30 days after your Start Date ("Sign-On Bonus").

If your employment is terminated by the Company for Cause (as defined herein) or if you resign from employment with the Company without Good Reason (as defined herein) in each case before October 1, 2022, you agree to repay the full Sign-On Bonus to the Company. Such repayment of the Sign-On Bonus must be made within 30 days after the date your employment terminates and may be set-off by the Company in its sole discretion against any amounts otherwise owed to you pursuant to this Agreement or otherwise to the extent permitted by applicable law (including Section 409A of the Internal Revenue Code).

Vacation/Holidays:

Under the Company's vacation policy, you are entitled to receive twenty-five (25) paid vacation days and six (6) federal holidays. Eligible vacation is pro-rated your first year of service and is based on grade level or years of NCR service, whichever provides the greater benefit.

The Company also provides six (6) Floating Holidays, which can be used at any time during the year while recognizing customer and business needs. In the first year of hire, the number of available floating holidays is prorated.

Additionally, the Company recognizes the following as paid holidays:
New Year's Day, Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Other Terms and Conditions of Employment:

Your offer of employment described in this letter agreement is contingent upon your acceptance of the terms and conditions of employment outlined in this letter agreement (including Attachments A, B and C, each incorporated herein by reference and made a constituent part of this letter agreement), and your passing of a background check. Please note that the letter agreement, through Attachment C, contains certain restrictive covenants concerning non-competition, non-customer-solicitation and non-recruitment/hiring, where such provisions are enforceable by law.

If you are in agreement with the terms of this letter agreement, including its attachments, please sign in the space provided below.

This letter agreement supersedes and completely replaces any prior oral or written communication concerning the subject matters addressed in this letter. This letter agreement should not be construed or interpreted as containing any guarantee of continued employment or employment for a specific term.

* * * * *

Don, we are very excited about the contributions, experience and knowledge you can bring to NCR.

Sincerely,

NCR Corporation

/s/ Michael D. Hayford

By: Michael D. Hayford
Title: Chief Executive Officer

Accepting this Offer of Employment:

By accepting and signing NCR's offer of employment you certify to NCR that you are not subject to a non-competition agreement with any company, person or entity, nor to any other post-employment restrictive covenants, that would preclude or restrict you from performing the NCR position being offered in this letter. We also advise you of NCR's strong policy of respecting the intellectual property rights of other companies. You should not bring with you to your NCR position any documents or materials designated as, or that you know to be, confidential, proprietary or trade secret information of another company, nor in any other way disclose confidential, proprietary or trade secret information while employed by NCR.

You further acknowledge that this letter agreement, including its Attachments A, B and C, sets forth the terms and conditions of your employment with NCR. The employment relationship with NCR is by mutual consent ("Employment at Will"). This means either you or NCR has the right to discontinue the employment relationship with or without cause at any time and for any reason.

You acknowledge that you have read the foregoing information relative to NCR's conditions of employment and understand that your employment offer is conditioned upon their satisfaction.

Acknowledged and Agreed:

Don Layden

/s/ Don Layden

Date: November 18, 2021

Attachment A
NCR Corporation Employment Terms & Conditions

By accepting NCR's offer of employment, I indicate my understanding of, and agreement to, each of the following Employment Terms and Conditions (the "Agreement"):

1. **Conflicts of Interest.** I will diligently perform and devote my entire working time, abilities and efforts to performing my NCR job responsibilities. I will refrain from performing work and providing services that (a) interfere or conflict with my exercise of good business judgment in the best interests of NCR when conducting NCR business, (b) occupy my attention to interfere with my NCR job performance, or (c) otherwise violate NCR's current and future conflict of interest policies and requirements, including those set forth in NCR's Code of Conduct. Before engaging in any activity that may present a conflict of interest, I understand that it is my responsibility to seek NCR's approval.
2. **Non-Disclosure of Confidential Information.** Except as necessary for the performance of my NCR job responsibilities or otherwise provided for in writing by NCR (or "the Company"), I will not disclose, access, use, share, publish, or in any other manner reproduce, in whole or in part, NCR's Confidential Information. "Confidential Information," which includes trade secrets, means any information not generally known or readily ascertainable by NCR's competitors and/or the public. Confidential Information includes, but is not limited to, the proprietary information of NCR, its subsidiaries, business affiliates, vendors, customers and clients, such as their financial records and projections, inventions, company strategies, employee information, research, technology, intellectual property rights, and information about pricing and customer preferences. Information may constitute Confidential Information regardless of whether it is written or unwritten, in hard copy or electronic form, and regardless of whether it is specifically identified or labeled as "confidential" (or with a similar term). Confidential Information does not include information already in the public domain or information which has been dedicated to or released to the public by NCR.
 - a) I acknowledge that unauthorized use or disclosure of NCR's Confidential Information can have a materially detrimental effect upon the Company and cause irreparable harm, the monetary loss from which would be difficult, if not impossible, to measure. Therefore, in addition to any other remedies available to NCR, I agree that a grant of injunctive or other equitable relief for any actual or threatened breach would be appropriate without the securing or posting of any bond.
 - b) I understand that, notwithstanding my non-disclosure of Confidential Information obligation, I am not prohibited from reporting possible violations of the law to government agencies or from making disclosures to government agencies that are protected by law (such as providing testimony and information during a government investigation); and, I am not required to notify the Company that I have made any such reports or disclosures. In response to a valid subpoena, I may provide testimony or information about NCR, but I agree to provide NCR notice in advance so that the Company may seek to quash the subpoena or limit the disclosure, if appropriate. I also understand that this non-disclosure provision does not interfere with, restrain, or prevent employee communications with each other regarding wages, hours, or other employment terms and conditions.
3. **Intellectual Property.** "NCR Intellectual Property" or "NCR IP" means any and all creations, inventions, methods or processes, designs, works of authorship, information or materials, improvements, developments, or any other innovations or technology that I, at any time during my employment at NCR (whether alone or with any other person), discover, conceive, create, reduce to practice, produce, make, or develop: (a) (i) with the use of or based on any NCR Confidential Information or any supplies, equipment, property, or systems, or at any facilities or on any property, of NCR, or (ii) that arises or results from my employment or work at or for NCR or relates to any of its business, operations, methods or processes, products (including

software), services, or solutions (collectively, "Technology"), and (b) all Intellectual property rights arising or resulting therefrom ("IPR"). I agree and acknowledge that all Technology shall be considered a "work made for hire" as provided under the United States Copyright Act, 17 U.S.C. Section 101, et seq., and together with the IPR, is exclusively owned by and the sole and exclusive property of NCR. I hereby irrevocably assign to NCR all NCR IP. I will immediately disclose all Technology to NCR in writing. I agree to provide NCR with all assistance reasonably required to perfect and support NCR's ownership and rights in, and to maintain, protect, and enforce, its rights, title and interests in and to the NCR IP, including signing any related documentation. I agree and acknowledge that, except as provided by law, no remuneration, compensation, any other right or obligation is or may become due to me in respect to my compliance with the terms of this Paragraph.

4. **Personal Information.** I understand that NCR must collect, process and retain certain personal data about me and my dependents, such as my home address, personal contact information and social security number. Only to the extent permitted by applicable law, NCR uses this information, and some cases discloses it to third parties, to manage its business operations and carry out my work relationship, including for purposes of providing compensation and employee benefits, complying with government agency and legal requirements, responding in the event of emergencies, and maintaining NCR systems and employee directory.
5. **Prior Employment.** I will not use during my NCR employment, disclose to NCR, bring onto NCR's premises, or access using NCR systems or equipment any trade secret or other information that I am required to keep confidential relating to my former employer(s).
6. **Deduction, Withholding, and Repayment.** NCR may deduct and withhold from my compensation the value of any payroll overpayment and indebtedness owed by me to the Company, to the extent permitted by law, or require that I repay any such amounts; and, I agree to execute any documents that may be required by law to authorize or memorialize NCR's right to withhold, deduct or seek repayment for any such indebtedness owed.
7. **Background Verification.** I understand that NCR's offer of employment is conditioned upon a completion of a background check (which may include a criminal history check, confirmation of prior employment, credit check, and confirmation of educational background), the results of which must be satisfactory to the Company in its sole discretion. I agree to execute all documentation and take all actions necessary for completion of the background check. I understand that my offer of employment can be rescinded, or my employment can be terminated, based on my background check results.
8. **U.S. Employment Authorization.** Verification of my authorization to work in the United States is required for my position, and I understand that I must complete a Form I-9, Employee Eligibility Verification, within the first three days of my employment.
9. **NCR's Code of Conduct.** Ongoing compliance with NCR's Code of Conduct, including its provisions prohibiting conflicts of interest, is required. The Company requires annual Code of Conduct training and that new hires complete Code of Conduct training within the first 30 days of employment.
10. **Agreement to Arbitrate All Employment-Related Claims.** I acknowledge and agree to abide by the terms of the Arbitration Agreement, and Class, Collective, and Representative Action Waiver (Appendix A to this Agreement), the terms of which are incorporated into this Agreement.
11. **Non-Compete, Non-Solicit, Non-Hire/Recruit Agreement ("Post-Employment Restrictive Covenants").** I acknowledge and agree to abide by the Post-Employment Restrictive Covenants set forth in the Non-Compete, Non-Solicit and Non-Recruit/Hire Agreement (Appendix B to this Agreement), the terms of which are incorporated into this Agreement.
12. **At-Will Employment.** My NCR employment is terminable at will, which means that NCR or I may end it at any time and without notice, cause or reason. Neither this Agreement, nor any Company policy or statement (oral or written), confers or will confer any express or implied contractual right to remain in NCR's employ. I understand that the Company can change the terms, conditions and benefits of my

employment without notice and that there is no guarantee of any fixed term, condition or benefit of NCR employment.

13. **No Prior Understandings or Oral Modifications.** This Agreement supersedes and replaces any prior statements or representations between the Parties relating to its subject matter, and it may not be modified, changed, or waived, without the Parties' written consent.
14. **Ongoing Obligations.** Termination of the employment relationship, regardless of reason or circumstances, does not terminate any of my ongoing obligations to NCR including, without limitation, my promises regarding NCR Confidential Information and NCR Intellectual Property.
15. **Defend Trade Secrets Act.** Pursuant to the Defend Trade Secrets Act of 2016, I acknowledge that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of the law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
16. **Severability.** If any provision of this Agreement is to any extent illegal, otherwise invalid, or incapable of being enforced, such term will be excluded to the extent of such invalidity or unenforceability; all other terms of this Agreement will remain in full force in effect; and, to the extent permitted and possible, the invalid or unenforceable term will be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term.
17. **Waiver.** No waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the waiver.
18. **Choice of Law.** This Agreement is governed by the laws of the State of Georgia in the United States, without regard to its conflict-of-laws principles, except for California employees, to whom California law applies.
19. **Electronic Acceptance.** This Agreement may be executed electronically or by personal signature and is immediately binding upon electronic acceptance.

ATTACHMENT B
Arbitration Agreement, and Class, Collective, and Representative Action Waiver
Addendum to Employment Agreement

You and NCR (collectively, the "Parties") agree that any controversy or claim arising out of or with respect to your employment with NCR will be resolved by binding arbitration; the obligation to arbitrate will also extend to and encompass any claims that you may have or assert against any NCR employees, officers, directors, stockholders, or agents, its divisions, subsidiaries, affiliated corporations, limited partnerships, predecessors, successors and assigns (collectively, "NCR"). Notwithstanding the foregoing, the following disputes and claims are not covered by this Arbitration provision and will therefore be resolved in any appropriate forum as required by the laws then in effect: claims for workers' compensation benefits, unemployment insurance, or state or federal disability insurance; claims for temporary or preliminary injunctive relief (including a temporary restraining order) in aid of arbitration or to maintain the status quo pending arbitration; and any other dispute or claim that has been expressly excluded from arbitration by statute. The Parties further agree that, in the event of a breach of this Agreement, NCR or you may, in addition to any other available remedies, bring an action in a Court of competent jurisdiction for equitable relief pending appointment of an arbitrator and completion of an arbitration; and, in such instance, will not be required to post a bond. If any portion of this Arbitration provision is held unenforceable, it will be severed and will not affect the duty to arbitrate nor any other part of this Agreement. In addition:

- A. The Parties agree that any demand for arbitration will be filed within the statute of limitations applicable to the claim or claims upon which arbitration is sought or required, or the claim will be barred. Arbitration will be conducted in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association (available at www.ADR.org) to the extent not inconsistent with the terms of this Agreement. The arbitrator will allow discovery in the form of: (1) the mutual exchange of documents (as defined under the Federal Rules of Civil Procedure)

pertaining to the claim being arbitrated and for which there is a direct and demonstrable need; and (2) up to three depositions by each party. Upon good cause shown, in a personal or telephonic hearing, the arbitrator may allow additional, non-burdensome discovery. The arbitrator will balance the likely importance of the requested materials with the cost and burden of the discovery sought, and when disproportionate, the arbitrator may deny the request(s) or require that the requesting party advance the reasonable cost of production to the other side. Issues of arbitrability will be determined in accordance with the U.S. federal substantive and procedural laws relating to arbitration; in all other respects, this Agreement will be governed by the laws of the State of Georgia in the United States, without regard to its conflict-of-laws principles, and the arbitration will be held in the metropolitan Atlanta, Georgia area, with the exception of employees who primarily reside and work in California, for whom arbitration will be held in California, and with respect to controversies arising in California, to which California law will apply. The arbitration will be held before a single arbitrator who is an attorney having at least five years of experience in employment law. The arbitrator's decision and award will be written, final and binding and may be entered in any court having jurisdiction. The Parties agree that nothing in this Agreement relieves them from any obligation they may have to exhaust certain administrative remedies before arbitrating any claims or disputes under this Agreement. Each party will bear its own attorney fees associated with the arbitration; other costs, and the expenses of the arbitration, will be borne as provided by the rules of the American Arbitration Association.

- B. Class, Collective and/or Representative Action Waiver.** To the maximum extent permitted by law: (i) all claims under this Agreement must be brought in each Party's individual capacity, and not as a plaintiff or class member in any purported class, collective or representative proceeding; (ii) no claims may be brought or maintained on a class, collective or representative basis either in Court or in arbitration, notwithstanding the rules of the arbitral body; (iii) such claims will be decided on an individual basis in arbitration pursuant to this Agreement; and (iv) the Parties expressly waive any right with respect to any covered claims to submit, initiate, or participate as a plaintiff, claimant or member in a class action or collective action, regardless of whether the action is filed in arbitration or in court. Claims may not be joined or consolidated in arbitration with disputes brought by or against other individual(s), unless agreed to in writing by the Parties (you, NCR, and the other individual(s) or entities). Any issue concerning the validity of this class, collective or representative action waiver, and whether an action may proceed as a class, collective or representative action, must be decided by a Court, and an arbitrator will not have authority to consider the issue of the validity of this waiver or whether the action may proceed as a class, collective or representative action. If, for any reason, this class, collective and/or representative action waiver is determined to be unenforceable, then the class, collective or representative claim may proceed only in a Court of competent jurisdiction and may not be arbitrated. No arbitration award or decision will have any preclusive or estoppel effect as to issues or claims in any future dispute.

THE PARTIES ACKNOWLEDGE THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHT THAT THEY MAY HAVE TO A JURY TRIAL.

ATTACHMENT C
Non-Compete, Non-Solicit, and Non-Recruit/Hire Agreement
Addendum to Employment Agreement

- A. **Acknowledgement.** Pursuant to your employment with NCR (or “the Company”), you will have access to, and knowledge of, certain NCR confidential information (including, without limitation, trade secrets and information about NCR’s business, operations, customers, employees, and industry relationships) not known to, or readily ascertainable by, the public and NCR’s competitors and that gives the Company a competitive advantage (“Confidential Information”). You acknowledge that, whether for your own benefit or the benefit of others, any unauthorized use, transfer, or disclosure of NCR’s Confidential Information can place NCR at a competitive disadvantage and cause damage, financial and otherwise, to its business. You further acknowledge that, because of your access to and knowledge of NCR’s Confidential Information, you will be in a position to compete unfairly with the Company following the termination of your employment.
- B. **Post-Employment Restrictive Covenants.** For the purpose of protecting NCR’s business interests, including the Confidential Information, goodwill and stable trained workforce of the Company, you agree that, for a 12-month period after the termination of your NCR employment (the “Restricted Period”), regardless of the reason for termination, you will not, without the prior written consent of NCR’s Chief Executive Officer:
1. **Non-Recruit/Hire** — Directly or indirectly (including, without limitation, assisting third parties) recruit, hire or solicit, or attempt to recruit, hire or solicit any employee of NCR to terminate his or her employment with NCR, or refer any such employee to anyone outside of the Company for the purpose of that employee’s seeking, obtaining, or entering into an employment relationship or an agreement to provide services;
 2. **Non-Solicitation** — Directly or indirectly (including, without limitation, assisting third parties) solicit or attempt to solicit the business of any NCR customers or prospective customers with which you had Material Contact (as defined below) during the last 2 years of your NCR employment for purposes of providing Competing Products/Services (as defined below).
 3. **Non-Competition** — Perform services, directly or indirectly, in any capacity (including, without limitation, as an employee, consultant, contractor, owner or member of a board of directors) (i) of the type conducted, authorized, offered, or provided by you on behalf of NCR during the 2 years prior to termination of your NCR employment; (ii) in connection with Competing Products/Services (as defined below) that are similar to or serve substantially the same functions as those with respect to which you worked during the 2 years prior to termination of your NCR employment or about which you obtained trade secret or other Confidential Information; and (iii) on behalf of (A) a Competing Organization (as defined below) named in NCR’s Competing Organization List, or (B) for entities or individuals not on the Competing Organization List, within the geographic territories (including countries and regions, if applicable, or types, classes or tiers of customers if no geographic territory was assigned to you) where or for which you performed, were assigned, or had responsibilities for such services during the 2 years preceding your termination; in view of your executive and global responsibilities, your territory for purposes of this Agreement is deemed to be the world.
- C. **Definitions.** The following definitions apply to your Post-Employment Restrictive Covenants:
1. “Material Contact” means the contact between you and each customer or prospective customer (a) with which you dealt on behalf of NCR, (b) whose dealings with NCR were coordinated or supervised by you, (c) about whom you obtained confidential information in the ordinary course of business as a result of your association with NCR, and/or (d) who receives products or services authorized by NCR, the sale or provision of which, with regard to prospective customers,

results, resulted, or would have resulted in compensation, commissions, or earnings for you within the 2 years prior to the date of your termination;

2. "Competing Products/Services" are any products, services, solutions, platforms, or activities that compete, directly or indirectly, in whole or in part, with one or more of the products, services or activities produced, provided or engaged in by NCR (including, without limitation, products, services or activities in the planning or development stage during your NCR employment) at the time of your separation from NCR and during the 2 years prior to termination of your NCR employment; and
3. "Competing Organization" is any person, business or organization that sells, researches, develops, manufactures, markets, consults with respect to, distributes and/or provides referrals regarding one or more Competing Products/Services.
4. The NCR "Competing Organization List," which the Company updates from time to time and which is available on the NCR HR intranet, or from the NCR Law or Human Resources Departments upon request, provides examples of companies that, as of the date of the List's publication, meet the definition of Competing Organization in the subparagraph directly above. However, the Competing Organization List is not intended to be exhaustive and persons, businesses or organizations not listed there may constitute Competing Organizations for purposes of this Agreement. Any changes to the Competing Organization List during the twelve months following your termination (or such longer time if the tolling provision below takes effect) shall be deemed to be a part of this Agreement and incorporated herein.
5. All references to "NCR employment" refer to your employment by NCR (or, if different, to an affiliate or subsidiary of NCR) and will also be deemed to include your employment, if any, by any company the stock or substantially all the assets of which NCR has acquired. As a non-limiting example, a reference to the "2 years prior to the termination of your NCR employment" may include both time as an NCR employee and time as a Retalix Ltd or Digital Insight employment.

- D. **Consideration.** You acknowledge that you would not receive the benefits and consideration provided under this Agreement but for your consent to abide by the Post-Employment Restricted Covenants, and your agreement to the same is a material component of the consideration for this Agreement and your NCR employment.
- E. **Remedies.** You agree that, if you breach any of the provisions of the Post-Employment Restricted Covenants: (i) NCR will be entitled to all of its remedies at law or in equity, including but not limited to money damages and injunctive relief; and (ii) NCR will also be entitled to an accounting and repayment from you of all profits, compensation, commissions, remuneration or benefits that you (and/or the applicable Competing Organization) directly or indirectly have realized or may realize as a result of or in connection with any breach of these covenants, and such remedy will be in addition to and not in limitation of any injunctive relief or other rights or remedies to which NCR may be entitled at law or in equity.
- F. **Subsequent Employment.** You agree that, while employed by NCR and for 1 year thereafter, you will communicate the contents of this Non-Compete, Non-Solicit, and Non-Recruit/Hire Agreement to any person, firm, association, partnership, corporation or other entity which you intend to become employed by, contract for, associated with or represent, prior to accepting and engaging in such employment, contract, association and/or representation.
- G. **Tolling.** You agree that the Restricted Period will be tolled and suspended during and for the pendency of any violation of its terms and for the pendency of any legal proceedings to enforce any of the covenants set forth in this Agreement and that all time that is part of or subject to such tolling and suspension will not be counted toward the 12-month duration of the Restricted Period.
- H. **Reasonable and Necessary.** You agree that the Post-Employment Restrictive Covenants set forth in this Agreement are reasonable and necessary for the protection of NCR's legitimate business interests, that they do not impose a greater restraint than is necessary to protect the goodwill or other business interests of NCR, that they contain reasonable

limitations as to time and scope of activity to be restrained, that they do not unduly restrict your ability to earn a living, and that they are not unduly burdensome to you.

- I. **Severability.** Each clause of this Agreement constitutes an entirely separate and independent restriction and the duration, extent and application of each of the restrictions are no greater than is necessary for the protection of NCR's interests. If any part or clause of this Agreement is held unenforceable, it shall be severed and shall not affect any other part of this Agreement, which will be enforced as permitted by law; provided, however, that to the extent such invalid provision can be rendered valid by modification, you agree that the court or tribunal shall so modify such provision to render it valid and enforceable to the fullest extent permitted by law.
- J. **Choice of Law.** This Agreement is governed by the laws of the State of Georgia in the United States, without regard to its conflict-of-laws principles.
- K. **For California Employees Only.** This Agreement's Non-Competition, Non-Solicitation, and Non-Recruit/Hire restrictions do not apply to you if, following the termination of your NCR employment, you reside or work in California. Notwithstanding the foregoing, you are and will continue to be prohibited from any unauthorized use, transfer, or disclosure of the Company's Confidential Information, including trade secrets, pursuant to the California Trade Secrets Act, the U.S. Defend Trade Secrets Act of 2016, your confidentiality and non-disclosure agreements with NCR, and any other applicable federal, state and common law protections afforded proprietary business and trade secret information.

NOTE: Please print or save a copy for your files.

CERTIFICATION

I, Michael D. Hayford, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NCR Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2022

/s/ Michael D. Hayford

Michael D. Hayford
Chief Executive Officer

CERTIFICATION

I, Timothy C. Oliver, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NCR Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2022

/s/ Timothy C. Oliver

Timothy C. Oliver
Senior Executive Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of NCR Corporation (the "Company") for the period ending March 31, 2022 as filed with the U.S. Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002), that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

The foregoing certification (i) is given to such officers' knowledge, based upon such officers' investigation as such officers reasonably deem appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document.

Dated: April 29, 2022

/s/ Michael D. Hayford

Michael D. Hayford
Chief Executive Officer

Dated: April 29, 2022

/s/ Timothy C. Oliver

Timothy C. Oliver
Senior Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to NCR Corporation and will be retained by NCR Corporation and furnished to the United States Securities and Exchange Commission or its staff upon request.